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FINANCIAL TIMES

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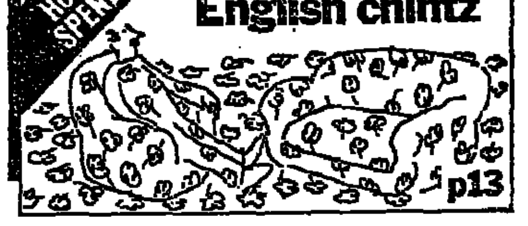

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WORLD NEWS

Notts miners defy threat of expulsion

Nottinghamshire miners' leaders decided yesterday to defy the threat of expulsion made by the miners' union

They said they would not drop recent rule changes aimed at giving their area greater autonomy. The area council of the Notts NUM is expected today to ratify the executive's decision to reaffirm these changes, which led to charges from the NUM that Notts was trying to form a breakaway union. Back Page

Arms talks played down

The Soviet Union is reacting cautiously to this week's agreement in Geneva to restart disarmament talks with the U.S. Page 2

Kennedy in protest

U.S. Senator Edward Kennedy took part in a brief demonstration outside the Cape Town jail where black leader Nelson Mandela is held. Page 2

Missile blast kills three

Three U.S. soldiers died when the engine of an unarmed Pershing-2 nuclear missile blew up near Stuttgart.

Jail for sales to East

Company director John Ludlam was jailed for two years at Southwark for supplying computers to Bulgaria. He and an associate, given a suspended sentence, were thought to be the first Britons convicted of selling high technology to Eastern Europe.

Caning Bill published

A Bill was published allowing parents to exempt children from corporal punishment in schools. In Scotland, pupils over 16 will decide for themselves.

Ulster bomb escape

A Northern Ireland policeman escaped with minor injuries when a bomb in his car went off as he began driving in Craigavon, Co Armagh.

Captives to be freed

Three Britons captured in Angola by Unita rebels last month will be sent home, Unita told the Foreign Office.

Ortega offers amnesty

Nicaraguan President Daniel Ortega offered an amnesty to U.S.-backed rebels in Nicaragua, Honduras and Costa Rica. Page 2

Iran 'ready to attack'

Iran's war cabinet said it was ready to attack Iraq as part of the 51-month Gulf War, but was waiting for the right moment.

Call for Nazi's return

West Germany asked Syria to extradite former SS captain Alois Brunner, alleged to have sent 70,000 Jews to death camps in the Second World War.

Blood doping opposed

The International Olympic Committee said it would ban blood transfusions to boost athletes' performances if it found a reliable test. U.S. cyclists say they won gold medals this way.

Winning toss at Lords

The BBC and ITN tossed a coin to decide which would begin televising House of Lords debates on January 23. The BBC won.

BUSINESS SUMMARY

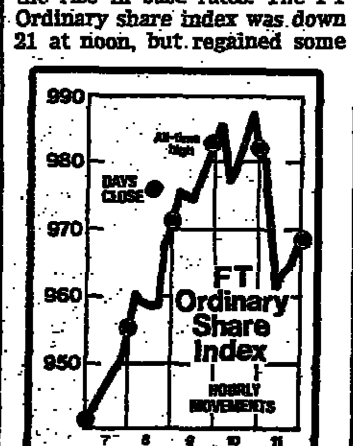
Standard Chartered loan deal

STANDARD CHARTERED, UK-based international bank, has bought $462m (£411m) of international loans from Union Bank, its Californian subsidiary. The loans represent 61 per cent of Union Bank's international portfolio.

The UK-based bank said it wanted to help its U.S. offshoot, explaining that U.S. banks had an advantage in raising funds if they had a low international loan exposure. Back Page

CREDIT-SUISSE, a leading Swiss bank, is to take a 29.9 per cent stake in Buckmaster & Moore, the London stockbroker. It intends to raise its holding to 85 per cent once Stock Exchange rules are relaxed. Back Page

EQUITIES fell sharply after the rise in base rates. The FT Ordinary share index was down 21 at noon, but regained some



ground to close 14.1 lower on the day at 968.3. The index was still up 27.3 on the week. Page 22

BEDFORD, General Motors' UK commercial vehicle subsidiary, is to cut 487 jobs, about 6 per cent of its workforce of 8,000. Page 3

FIRST BOSTON, U.S. bank, announced a plan to reunite the Scottish and U.S. plants of the Terex Earth Moving Equipment Company. The plan would involve the sale by General Motors of its Terex plant near Glasgow.

WEST GERMAN government signalled its opposition to early entry into the French-sponsored Hermes manned space station project Page 2

THORN EMI is putting together a film finance fund expexted to raise about $150m (£133m). Page 3

SCIENCE BUDGET: Fellowship of Engineering is the biggest loser in percentage terms in the Government's revised science budget of £583.9m for 1985-86. It will receive less than £500,000, only half the amount it had hoped for. Page 4.

TRADED OPTIONS turnover rose to a record 76,898 this week, including 1,014 of the gilt option introduced on Thursday. The previous record, set in the week ended December 7, was 68,534.

ALFA ROMEO, the loss-making Italian car maker, is cutting productinn of the Arna saloon, the result of its joint venture with Nissan of Japan, mainly because of the car's poor reception in the UK. Page 19

ASSOCIATED Newspapers, publisher of the Daily Mail and the Mail on Sunday, raised pre-tax profits from £16.46m to £21.75m for the year ended September 30, on turnover up £62.43m to £357.8m. Page 18

Base rates rise fails to halt sterling slide

BY PHILIP STEPHENS

BRITAIN's leading banks yesterday raised their base lending rates to 10½ per cent as sterling slumped further against other leading currencies.

However, the move, led by the National Westminster Bank and quickly endorsed by the Bank of England, failed to halt the pound's slide and sterling ended the day at a record low in London.

That in turn prompted uncertainty in the City over whether another rise in base rates might be needed in coming weeks if sterling's fall is *to be reversed.*

The clearing banks and the authorities, however, are likely to want to wait at least a few days to see how financial markets settle down before taking any further view on the level of borrowing charges.

Mr Nigel Lawson, Chancellor of the Exchequer and other senior ministers are meeting at Chevening, Kent, this weekend to discuss strategy for the March 19 Budget and the outlook for sterling and interest rates seems certain to be discussed.

The pound closed in London yesterday at $1.1245 against a *generally strengthening dollar*, 0.90 cents down from Thursday. It fell further to below $1.12 in early New York trading.

The sterling index, which measures its value against the currencies of Britain's main trading partners, fell to a record low of 71.3, down 0.3 points from Thursday.

On the Stock Exchange, the announcement brought losses for shares after their strong gains earlier in the week. The FT ordinary index closed 14.1 *points lower at 968.3.*

The increase to 10½ per cent —the first rise since last July— brings all the major banks into line since Barclays, which previously had a 9¾ per cent base rate, raised it by only ¾ of a percentage point.

National Westminster's decision followed a sharp rise in money market interest rates *early yesterday which* meant that the banks were paying more to borrow money than they were charging to customers.

The Bank of England signalled its agreement by raising its commercial dealing rates by the same 1 percentage point.

Until yesterday the authorities had been hoping to avoid a rise in interest rates, arguing that sterling's fall was caused by the strength of the dollar and falling oil prices rather than by any loosening of the Government's grip on the money supply.

The financial markets, however, remained unconvinced that so *sharp* a fall in the pound's value—about 2¼ per cent this week—could be blamed entirely on external factors.

The Government felt obliged to concede higher interest rates if its monetary and anti-inflation strategy was not be blown off course.

The decision was vehemently attacked by Mr Roy Hattersley, *the shadow Chancellor, who* accused the Government of "conniving at the rise in interest rates to prop up the pound."

There was no evidence *that* the lower exchange rate was putting the Government's inflation targets at risk, while the interest rate rise would have "a very damaging effect on economic growth," he said.

The view among many City analysts was that the increase may not be enough to stop sterling from weakening further and the Government

Continued on Back Page
This Round to the Markets, Page 16

Building societies are not expected to increase interest rates in line with yesterday's rise in bank base rates. Cusioned by a strong inflow of savers' funds in December the societies have plenty of funds to meet expected mortgage demand over the next few months. But any further increase in market rates may force them to follow suit to maintain their competitive position in attracting deposits. Back Page

Climax near in British Communist Party row

BY MALCOLM RUTHERFORD

THE SIMMERING row between the Euro-communist and Stalinist factions within the British Communist Party is likely to be brought to a head this weekend, at a meeting of the party's executive committee.

By Sunday night the committee may have decided to hold a special congress in May, at which the split would formally take place. They may also have voted to expel from the party Mr Tony Chater and Mr David Whitfield, who are respectively editor and assistant editor of *its daily newspaper, the Morning Star.*

Such moves would amount to a major victory for the moderate *Euro-communist wing and* would have ramifications in the trade union movement and throughout the British left.

The Euro-communist wing tends to coalesce around Marxism Today, the party's monthly theoretical journal. The group won a majority at the party's last congress in November 1983 but has been unable to turn it to full effect.

The fundamentalist or Stalinist wing has maintained its hold on the Morning Star. Even if Mr Chater and Mr Whitfield are expelled on Sunday, they are unlikely to relinquish their posts readily.

It is more probable that the Morning Star would intensify its attacks on the Euro-communists. Its tone has been relatively restrained since Christmas. The decisive moment *would then come at the special* congress in May, when a formal split could scarcely be avoided.

Such a rupture would matter *to the British left as* a whole because in recent years the Marxism Today element has enjoyed some success in branching out to form a broad left-wing alliance encompassing part of the Labour Party and some of the single issue movements, as well as the Communists.

The fundamentalists stick to a policy of "proletarian internationalism," which means supporting the working class at home and the Soviet Union in foreign policy.

Some key trade union leaders who are members of the party may well side with the Euro-communists. They include Mr Mick McGahey, vice-president of *the National Union of Mine*workers, and Mr Ron Halverson, a senior lay official of the Amalgamated Union of Engineering Workers.

Royal Bank in negotiations to acquire Charterhouse Japhet

BY DAVID LASCELLES, BANKING CORRESPONDENT

THE Royal Bank of Scotland is negotiating to buy Charterhouse Japhet, the merchant banking arm of the Charterhouse J. Rothschild financial services group. The price being discussed is estimated to be between £100m and £150m.

If the deal goes through—a firm announcement may come next week—it will mark another shake-up in the company assembled by Mr Jacob Rothschild and reverse a merger he made only 14 months ago.

The prospect that Mr Rothschild will realise a great deal of cash from the transaction triggered speculation in financial service company stocks on the Stock Exchange yesterday in anticipation of his making another acquisition.

In a brief announcement, the Edinburgh-based Royal Bank and CJR said they were negotiating the sale of Charterhouse Japhet and its associated UK, French and Canadian development capital companies. They asked the Stock Exchange to suspend dealings in their shares until the formal announcement.

Mr Rothschild decided to merge his R.I.T. and Northern financial services group with Charterhouse Japhet in November 1983 to form what was then one of the first big alliances in the City revolution. The deal, valuing the newly created entity at £400m, was intended to create an all-round finance group with interests in banking, investment, broking, capital markets and corporate finance.

But Mr Rothschild's plans to give his group a retail orientation foundered on the abortive merger with Hambro Life last *summer.* Since then he has been trying to steer it in the direction of wholesale banking.

The decision to sell Charterhouse Japhet was said yester*day to reflect his belief that the* financial environment favours nimble companies with large amounts of free capital rather than heavily regulated banks. Most of the big securities groups forged by the City revolution in the past 12 months have been built around banks.

Royal Bank, which took the initiative for the sale, said it was keen to expand and stand on its own. It has been the subject of takeover speculation since the unsuccessful bids by the Hong Kong and Shanghai and Standard Chartered banks three years ago. The Royal already has a small merchant bank, National Commercial and Glyn's, but wants to become much bigger in the business.

The bank would not say how

Continued on Back Page
Background, Page 3

Lloyds banks on Saturday success

By Brian Groom, Labour Staff

LLOYDS BANK is so confident that Saturday banking will be popular that it has already briefed local staff on ways of telling the media how successful it has been when doors open at the first 75 branches on February 2.

A confidential guidance note *to senior staff* tells them they may indicate that their branch has been busy, using general phrases like: "It's been tremendously popular *with* customers," or "Everything's been hectic but we're delighted with the response."

It adds: "Figures should not be given or the proportions of customer inquiries between various services, although the full range that we offer should be restated."

The note has angered the Banking, Insurance and Finance Union which is campaigning to persuade staff not to volunteer for Saturday work. It has accused *the* bank of planning to tell the world that Saturday opening is a success, regardless of the actual outcome.

Lloyds yesterday strenuously denied that it was asking staff to say anything untrue or to "hype the thing up." If branches were quiet, staff were free to say so as long as they did not disclose figures.

It admitted that the guidance note did not mention this possibility. Lloyds said: "We are assuming that they are *going* to be very busy. That was the only contingency we had prepared for."

Mr David Burton, Bifu assistant *secretary,* claimed that some staff had withdrawn their contracts to work on Saturdays because they were "incensed at being treated like morons in being told how to handle the Press."

Bifu claims that lack of volunteers has forced Lloyds to cut the number of branches it is opening by the end of April from 200 to 175.

The bank said there were a number of reasons for amending the plans and staff shortages "could not be pinpointed as the sole cause in any case."

Bifu wants a four-day, 28-hour week as the price for six-day banking, along with a 15 per cent shift premium and a five-day consecutive break each month.

Edwardes tells City of Dunlop's plan for £142m refinancing

BY CHARLES BATCHERLOR

DUNLOP HOLDINGS, the struggling tyre and rubber products group, is to carry out a £142m refinancing programme in an attempt to reduce its £430m debt.

Sir Michael Edwardes, the company's new chairman, disclosed details of the package to City institutions yesterday. Formal announcement of the terms is expected next Tuesday.

The long-awaited rescue package has been agreed by Dunlop's 53 lending banks and will comprise:

- *Conversion of £70m of bank* debt into equity by the issue of £40m worth of ordinary shares at about 12½p and £30m worth of redeemable preference shares.
- A £43m rights issue on the basis of 12 shares for every five held at a price of about 12½p a share.
- The placing of £29m worth of new shares with institutional investors.

The result of these moves will be to reduce the stake of existing *shareholders* to 14 per cent of the company's equity—a more severe write-down than some had expected. The nominal value of Dunlop's shares will be cut to 10p from 50p.

Shareholders will be asked to approve the proposals at an extraordinary meeting to be held on February 8. Dunlop's *shares have been suspended* from trading on the Stock Exchange at the company's request since December 5. At the suspension price of 25p the company is valued at £36m.

Dunlop is also to announce a programme of asset disposals intended to bring in up to £150m.

Most of these disposals have already been announced but have yet to be completed. They include the outstanding payment of £45m from Sumitomo, Rubber *Industries for Dunlop's* European tyre business, the sale of its New Zealand business for just over £9m and the disposal of *its Malaysian Industries* offshoot for £35m.

There are no big surprises in the list of disposals. The company has already made known its wish to sell Dunlop House, its London headquarters, and National Tyre Service, its UK tyre distribution network.

A packed 1½ hour meeting of City fund managers held at the offices of Cazenove, Dunlop's brokers, gave a favourable reception to the proposals. The pension funds and insurance companies will, however, be spending a busy weekend studying the fine print of the 70-page circular.

One participant said: "It was *an impressive performance* by Sir Michael."

Another said: "The feeling is it will probably go, but there was some hard *questioning*, Dunlop has probably succeeded in tying in the banks but it has not been over-generous to existing shareholders.

"We would give it the benefit of the doubt and take up a modest element of the issue, but it must be considered a high-risk investment."

Fund managers are anxious *to avoid a repeat of the* attempted rescue of Stone-Platt Industries, the textile machinery and engineering group, in 1982, a year after institutions put up funds to back a rescue, Midland Bank called in the receiver causing much bitterness in the City.

The banks, which have already accepted the scheme, plan to offer other shareholders up to half the £40m of ordinary shares they are to receive. This is seen as an attempt to allay criticism that the banks will have too large an equity stake.

Small shareholders had sought to reduce the extent of *the dilution and had asked for* options to allow them to acquire more shares in the future.

Mr Ronald Haave, a U.S. investment adviser with discretion to vote 7.3m shares or 3.1 per cent of Dunlop's equity, appeared this week to be moving towards supporting the board's proposals, but he will not decide until he has seen all the terms. He had earlier backed the Dunlop Shareholders' Association, representing small British shareholders.

Professor Robert Pritchard of the association said yesterday that it had the backing of the UK holders of nearly 3m *shares as well as of the holders* of 1m shares held by U.S. investors in American Depositary Receipt form.

MARKETS

DOLLAR
New York lunchtime
DM 3.162
FFr 9.6925
SwFr 2.6485
Y254.2
London:
DM 3.1530 (3.1430)
FFr 9.6675 (9.6250)
SwFr 2.6439 (2.6350)
Y253.75 (253.70)
Dollar Index 145.6 (145.7)
Tokyo close Y253.6

U.S. LUNCHTIME RATES
Fed funds 8⅞%
3-month Treasury Bills: 7.74%
Long Bond: 101⅝
yield: 11.11
GOLD
New York: Comex Jan $299.2 ($303.1)
London: $304 ($304.5)

STERLING
New York lunchtime $1.122
London: $1.1245 (1.1335)
DM 3.5475 (3.5675)
FFr 10.8450 (10.9950)
SwFr 2.97 (2.99)
Y285.50 (287.25)
Sterling Index 71.3 (71.6)

LONDON MONEY
3-month interbank: mid rate 10⅞% (10)
3-month eligible bills: buying rate 10⅝% (9⅞)

STOCK INDICES
FT Ord 968.3 (−14.1)
FT-A All Share 602.05 (−0.8%)
FT-SE 100 1,248.6 (−12.4)
FT-A long gilt yield index: High coupon 10.52 (10.42)
New York lunchtime: DJ Ind Av 1,218.52 (−4.97)
Tokyo — Nikkei Dow 11,812.24 (−12.14)

Chief price changes yesterday, Back Page

CONTINENTAL SELLING PRICES: Austria Sch 18; Belgium Fr 38; Denmark Kr 7.25; France Fr 6.00; W. Germany DM 2.20; Italy L1,300; Netherlands Fl 2.50; Norway Kr 8.00; Portugal Esc 75; Spain Pta 110; Sweden Kr 6.50; Switzerland Fr 2.20; Ireland 60p; Malta 30c.

CONTENTS

For London market and latest share index, 01-246 8026; overseas markets, 01-246 8086.

Bonn unlikely to support European space station

BY RUPERT CORNWELL IN BONN

THE West German Government has signalled its clear opposition to early entry into the *French-sponsored Hermes* project for a European-built manned space station, above all for financial reasons.

Bonn's inclinations have become apparent at a politically unfortunate moment, just as M *Roland Dumas, the new French* Foreign Minister, is making his first bilateral visit to West Germany since his appointment last month.

But the Government appears to have been left little choice in the *matter after the agreement* earlier this week between the Finance and Technology Ministries here, after months of *wrangling and uncertainty*, over the required DM 3bn (£833m) of funding for West German involvement in the U.S.-led programme for the "Colombus" space station, due to be launched in 1992.

This *understanding, long* delayed by the insistence of Herr Gerhard Stoltenberg, the Finance Minister, on tight curbs on public spending, is expected to clear the way for the Government to finalise its space strategy at a series of meetings next week.

Officials yesterday were arguing that the scheduled DM 3bn outlay, plus a further DM 1.6bn as Bonn's contribution to the future development costs *of the Ariane European rocket* launcher programme would leave no money available for any immediate commitment to *Hermes*.

Herr Hans Dietrich Genscher, the Foreign Minister, is likely to have spelt out this thinking to M Dumas during their talks yesterday and Bonn will probably take the same line in Rome *at the end of January when* EEC technology Ministers discuss future European involvement in space.

The two Foreign Ministers also used their meeting to emphasise the need for Europe to bring as united an approach as possible to bear on the arms control negotiations between Washington and Moscow, due to *start later this year. They also* called for outstanding problems in the way of Spanish and Portuguese membership of the Community to be settled not later than the next European Council, in Milan at the end of March.

Swedes investigate cause of chemical plant leakage

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

THE SWEDISH Government has begun an immediate investigation into the leakage of dangerous chemicals from an explosives plant in central Sweden, which released a dense mist of sulphuric acid droplets over the town of Karlskoka.

Several hundred inhabitants were evacuated during Thursday night and the early hours of Friday morning from the vicinity of the plant.

Many businesses in the town centre remained closed yesterday, schools were shut, but services suspended and roads blocked off.

The main Stockholm-Oslo trunk road was closed and traffic was diverted by policemen wearing gas masks.

A field hospital was set up in *a school not far from the Bofors* explosives plant, but few serious casualties were reported.

The immediate cause of the accident had still not been established last night, but it was suspected that a pipe leading to a storage tank had frozen and burst.

The tank contained oleum, a solution of sulphur trioxide, in *concentrated sulphuric* acid used in the manufacture of explosives. The leak released a cloud of sulphuric acid droplets which hung over the town for many hours, trapped by the lack of wind and the sub-zero temperatures.

Local inhabitants were warned repeatedly Thursday night to stay indoors and to close all windows, doors and ventilation outlets. The sulphurous mist can be extremely corrosive and can cause particular injury to the lungs, eyes and nose.

By last night the gas cloud had begun to disperse but Bofors came in for serious criticism for delays in releasing *information* about the precise dangers posed by the accident.

Social scientists from Sweden's Defence Research sent a team of psychologists to Karlskoga Thursday night to *study how the population* and the rescue teams reacted to a sudden catastrophe.

"During the accident there were no signs of panic. All acted with impressive calm," said Mr Ben Shalit, a psychol*ogist with the Institute.*

"All those were studied during the night at the rescue centre reacted in the correct manner psychologically."

Fay Gjester writes from Oslo: Borregaard, the only Norwegian producer of oleum gas, ships it in tanker trucks through the centre of Oslo.

The gas, made at a *plant in* Sarpsborg, eastern Norway, is moved by road through Norway's capital to users on the other side of the Oslo fjord. A Borregaard executive conceded yesterday that he would prefer to see it transported by ship, because the effects of a leak in transit would be far less serious if the cargo were on the water.

Sarpsborg police chief, Mr Bjorn Westerdal, said there were no contingency plans to deal with a gas leak from Borregaard's plant.

The French aristocrats' answer to Dallas

FRANCE'S cultural mandarins, who have always looked *down their noses at the crude* goings-on in the American television series "Dallas," in *spite* of its popularity with French viewers, have launched their own aristocratic answer to Southfork farm *and the Ewing family.*

Just to show how superior French civilisation is to that *of Texas—a point which* President Francois Mitterrand's Culture Minister Jack Laing never ceases to make—French television's second channel (Antenne 2) is producing a new soap-operat called "Chateauvallon."

Set in a chateau on the banks of the Loire, the series, which will boast more than 200 characters, ten times the number of its U.S. model, may have more class and polish, but its moral standards are every bit as low as those of the heroes and heroines of Dallas.

Dallas's Ewing dynasty has been replaced by the sprawling Berg family. The Ewings' sworn enemies—the Barnes—find their counterparts in a Yugoslav emigre family called Kovalic.

The head of the French dynasty, 70-year-old Press baron M Antonin Berg, has no *oil* but plenty of power. A staunch conservative with an undying allegiance to the late General de Gaulle, he professes an equal commitment to the free Press.

His all-powerful newspaper La Depeche Republicaine unveils graft and corruption, and makes and breaks politicians and businessmen. The series progressively reveals the personal ambitions and weaknesses of the Berg family and its *reporter-employees.*

To replace the patriarch, who dies in episode six, the producers of Chateauvallon wheel out M Berg's divorcee daughter Florence, who hears a striking resemblance to *Dallas' Sue Ellen.*

And like Dallas' J.R., Florence emerges as an iron-fisted manager with personal problems on the side, most notably when her cabinet minister lover commits suicide over a scandal.

"Chateauvallon portrays a profoundly corrupt ruling class. *Those who with money* wield power," a leading conservative— commentator M. Dominique Jamet said.

With contracts expected in Switzerland, Luxembourg, Britain and Italy, where domestic networks co-financed the production, the French are now dreaming of selling Chateauvallon to the U.S. *under the title "Fortune and Glory"*

French television, in spite of its cultural superiority, is clearly not averse to earning a fast buck

Agencies

Hemingway literary prize launched

By Leyla Ertugrul in Paris

A NEW literary prize worth $50,000 (£44,250) was launched in honour of author Ernest Hemingway at the Hotel Ritz in Paris yesterday, under the patronage of the Sultan of Brunei, the tiny oil-rich territory which became fully independent from Britain a year ago.

The Ritz Paris Hemingway Award is to be awarded *annually to the author of* a novel published in English and exemplifying what a press statement called "the Hemingway tradition of excellence."

The chairman of the jury, Mr Pierre Salinger, a former press attache to President Kennedy and now a Paris-based correspondent announcedthat the first winner of the award for *1984* would be declared in March. The jury includes Lady Antonia Fraser.

The idea for the award was apparently hatched jointly by Mr Salinger and Mohammed Al Fayed, the Egyptian owner of *the Ritz* who recently acquired a 30 per cent stake in the House of Fraser. Ernest Hemingway had a long association with the Ritz. A further $100,000 will be awarded annually in grants to students of literature.

New Caledonia troops injured

ABOUT 15 members of the French security forces were injured yesterday in rioting in Noumea, the capital of New Caledonia. The rioting, involving at its height about 1,500 people, broke out after a young French settler was killed on his farm by a shot believed to have been fired by Melanesians, David Housego writes from Paris.

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Moscow plays down arms talks decision

BY PATRICK COCKBURN IN MOSCOW

THE SOVIET UNION has avoided making any great claims for this week's agreement in Geneva to restart arms control talks with the U.S. but has *emphasised the importance* of the decision to bring space weapons into the negotiations as well as nuclear arms.

This was a priority objective which the Politburo appeared content to highlight at a meeting on Thursday. More generally, the Soviet leadership has not encouraged anything approaching the sense of achievement about the outcome of the Geneva talks which has pervaded some Western re*action.*

The Soviet Press and television have largely confined themselves to a resume of what was agreed in Geneva on Tuesday by Mr Andrei Gromyko, the Soviet Foreign Minister, and Mr George Shultz, his U.S. counterpart. There is little analysis of the implications of the new understanding with Washington.

Pravda, the official Soviet daily, did say yesterday however that there was a contradiction in President Reagan's Press conference on Wednesday evening between his declared desire for better relations with the Soviet Union and his resolve to continue funding a space defensive system and the American search for an effective anti-ballistic missile defence.

There is little mention in the Soviet Press of cruise and Pershing II medium range nuclear missiles, the deployment of which was the occasion for the Soviet walkout from the Geneva talks at the end of 1983. A centre piece of Soviet diplomacy last year was the refusal to negotiate until the cruise and Pershings were withdrawn.

This demand is now very much in the background although it could emerge again when negotiations start in earnest. *They are expected* to take place once again in Geneva, though Mr Gromyko rejected a U.S. suggestion during the talks that the final communique specify that the negotiations be in Geneva in March, say diplomats here.

It is still too early to say how much either side gave up *at Geneva*. The most significant change is in the tone and direction of the relations between the super powers which are better than at any time during President Reagan's first Administration.

Tass, the Soviet news agency, continues to give heavy publicity to U.S. military procurement reporting yesterday that the U.S. defence department had requested $313.7bn for fiscal 1986. "These enormous allocations to the Pentagon, which are without precedent in U.S. history, are to ensure the continuation and stepping up of all the main programmes included in the arms programme."

A senior Soviet intelligence officer has defected to the West after several years of operating as a double agent, *it has been indirectly* confirmed by the West German authorities.

Only the sketchiest picture of the affair has emerged so far here. But press reports which gave the first news spoke of the defector—apparently holding the rank of colonel—as the most important Western agent in the Russian establishment since Oleg Penkovsky, who was unmasked and executed in the USSR in 1963.

The agent is understood to have crossed over during a *mission to the West some* time ago. But Bonn would give no details of his present whereabouts, nor of whether he had formally sought political asylum in West Germany, as has been suggested.

Herr Peter Boenisch, the Government spokesman, refused to comment on the affair, other than to observe that such case was open "at the present time."

Polish colonel 'aided cover up'

BY CHRISTOPHER BOBINSKI

CLOSE QUESTIONING by judges of the most senior of the four Polish security men accused of murdering Father Jerzy Popieluszko, the pro-*Solidarity* priest, undermined his plea of innocence yesterday and showed that former Colonel Adam *Pietruszka* had participated in covering up for his three subordinates

In his evidence Col Pietruszka revealed that his superior, General Zenon Platek, had acted to hold up information on the whereabouts of the car used to abduct the priest while the search was in full swing. But the former colonel declared that he thought this did not amount to an attempt to put the search off the track but "a desire to calmly get to the bottom of the case."

This is the first time General Zenon Platek has been mentioned in an incriminating con*text in the case. He is to appear* as a witness, however, and has been suspended from duty for failure to supervise his department adequately.

The chain of command in the Interior Ministry puts deputy binister Wladiskaw Ciaston above General Platek with Minister General Czeslaw Kiszczak at the top.

Colonel Pietruszka also told the court that he had lied in the investigation about when he first heard that the car used in the kidnapping had been seen near the place where the dissident priest had been snatched.

The car belonged to Captain *Piotrowski's department and the* former captain had parked it in the ministry's parking lot after returning from the abduction. *It was seen there 36 hours later* by General Platek, who told Colonel Pietruszka to get the number plates changed "so they aren't so visible," the Colonel said.

Kennedy praises jailed leaders

BY ANTHONY ROBINSON IN JOHANNESBURG

SENATOR Edward Kennedy yesterday stood outside the walls of Pollsmoor maximum security jail near Capetown, where African National Congress leaders are held, and praised those behind the walls as "men deeply committed to the cause of *freedom* in their land."

The Senator had been denied permission to visit the leaders, and by making his statement in support of Mr Nelson Mandela and other ANC leaders *in front of the jail the senator* was technically breaking South African internal security laws, as were the television cameramen who filmed him.

Pollsmoor prison has replaced the notorious Robben Island as the main top security jail for political prisoners.

"Although I am not able to speak with Nelson Mandela and other leaders I believe I have found their spirit in the small houses, villages and towns that I have travelled through in South Africa." He said he regretted the Government's refusal to allow his access.

Senator Kennedy was accompanied by the *Rev Alan Boesak*, the coloured President of the World Alliance of Reformed Churches and patron of the anti-apartheid United Democratic Front (UDF) who also guided him round the squalid *shanty town of Crossroads on* Thursday.

Rev Boesak was questioned by reporters on a headline report in yesterday's Johannesburg newspaper the Star that a secret police "dirty tricks" squad had unearthed an affair between the married priest and a 30-year-old white secretary of the South African Council of Churches. Rev Boesak denied the accusations while the security police denied the allegations of dirty tricks as "absurd."

Earlier Senator Kennedy had been strongly criticised by two leading Government ministers, *Mr Gerrit Viljoen, the Minister* for Co-operation, Development and Education, and Mr Chris Heunis, Minister for Constitutional Development, whom he met to discuss official policies towards black advancement and *future* black political representation.

Mr Heunis described the talks as "cordial" but was critical of outside interference and Senator Kennedy's "simplistic solution." "No man, including the qualifications to judge the the Senator, has the right or moral or Christian basis of what happens in other countries."

Nakasone starts Pacific tour

BY JUREK MARTIN IN TOKYO

MR YASUHIRO NAKASONE, the Japanese Prime Minister, leaves tomorrow on a tour of four Pacific nations in which the most burning topics are likely to be nuclear-related.

This is not necessarily what Mr Nakasone would prefer. According to Japanese officials, his prime mission in Fiji, Papua New Guinea, Australia and New Zealand will be to promote the cause of greater Pacific co-operation.

The *Japanese idea* is what is described as "a loose solidarity" of countries in economic and cultural affairs, to be conducted under the broad aegis of co-operative organisations such as the Association of South East Asian Nations rather than by Japan itself or the Pacific superpower, the U.S.

President Ronald Reagan gave broad support to the concept when he met Mr Nakasone in Los Angeles earlier this month.

But in practice, apart from dealing with specific Australian trade complaints, Mr Nakasone *will be unable to avoid* nuclear issues. Countries of the region, convening under the banner of the South Pacific forum have already passed a resolution last October banning both nuclear tests and the storage and disposal of radioactive waste in the ocean.

In recognition of this, Japan has tacitly agreed to postpone its plan to dump its nuclear waste in the Marianas Trench, roughly half way between Japan and Australia.

More pertinently, Mr David Lange, the Prime Minister of New Zealand, has given impetus to the movement to have the Pacific declared a nuclear free zone by his refusal to allow U.S. ships with nuclear weapons to use New Zealand port facilitie

Japan has its own non-nuclear principles, on paper not dissimilar to those proposed by Mr Lange, though in practise it permits U.S. ships to use its port facilities. Indeed, Japan is concerned, because of its defence relationship with the U.S., lest the nuclear-free zone concept catches fire.

Mr Nakasone is also likely to take a few "presents" with him, in the shape of *credits for* Papua New Guinea and Fiji and, possibly, a commitment to lower air fares between Japan and Australia, which the two national flag carriers, JAL and Qantas, oppose.

Taiwan unveils liberalisation of economy

TAIWAN will reduce tariffs, cut business taxes, remove all tariff surcharges and drop import licensing requirements on 5,400 products as part of a plan to join the ranks of developed *nations by the next decade, Reuter report from Taipei.*

Finance Minister Loh Jen-Kong told a press conference that the measures are aimed at stimulating both local and foreign investment, especially in such key industries as computers and electronics and machinery.

The surcharge on imports *currently set at 5 per cent above* tariffs, will be removed in October

Mr Loh said import licensing requirements will be abolished on more than 5,400 products, including textiles, toys and machinery, in a move to open Taiwan's markets and reduce its trade imbalance.

Tariffs will be cut on consumer goods, cars, vehicle parts and some raw materials this year, he said. But he said developing industries will continue to be protected.

He also announced 14 major projects worth T$800bn (£17.4bn) for the next 15 years, including a T$170bn fourth nuclear power plant and a T$32bn receiving terminal for liquefied natural gas.

Union Carbide may build new factory at Bhopal

UNION CARBIDE may set up a new factory on the site of its pesticide plant in Bhopal, India, where a gas leak killed 2,500 people last month, Reuter reports from New York.

But Mr Warren Andersen, the company's chairman suggested in an interview that a new plant, or a modified version of the existing one, could be designed to manufacture products other than pesticides.

Mr Anderson said the main objective of such a move would be to provide jobs for the plant's 650 employees, who were put out of work by the accident.

Mr Anderson said Union Carbide would have to win government clearance before *undertaking any new operations* at the Bhopal site.

In a move that might signal a softening of the Indian position towards Union Carbide, the government yesterday accepted the company's month-old offer to provide $1m (£888,000) in emergency relief for the victims of the disaster. Indian officials had initially spurned the offer as inadequate.

"It's done with no prejudice against a compensation package (that might be put together for victims of the accident)," Mr Anderson said. "This was never intended to buy our way out cheaply."

Meanwhile, the Indian Government said yesterday it had received no application from Union Carbide to reopen the Bhopal factory.

Peres to discuss pullout

BY OUR TEL AVIV CORRESPONDENT

THE ISRAELI Cabinet is to discuss ending the army's 30-month occupation of South Lebanon on Sunday with the Government still divided over a pull-back.

Prime Minister Shimon Peres's 10-man inner Cabinet has had two lengthy meetings this week to examine the military options.

Mr Peres and most of his Labour Party colleagues clearly favour a phased withdrawal that would bring the army home by next autumn.

Right-wingers grouped around Mr Yitzak Shamir, the Foreign Minister, say, however, the army must remain as long as there is a security threat to northern Israel from Lebanon

Amnesty offer by Ortega

By Tim Coone in Managua

SR DANIEL ORTEGA has launched tis term as Nicaragua's first directly-elected President with an amnesty offer to all the U.S.-backed guerrillas based in Honduras and Costa Rica and operating *inside Nicaragua.*

In his inaugural speech, marked by the presence of President Fidel Castro of Cuba, but otherwise thinly attended by Latin American heads of government, Sr Ortega urged the rebels to *give up their arms, surrender* to the Red Cross and be "re-integrated into society."

The offer goes further than the previous amnesty dating from December 1983, which has been taken up by 1,500 guerrillas according to President Ortega. Previously guerrilla leaders were excluded from the amnesty.

President Ortega condemned the Reagan Administration's attempts to raise further money in the U.S. Congress to support the right-ist guerrillas, which he said would continue what he described as "an orgy of blood." in Nicaragua. Over 7,000 Nicaraguans have died in the U.S. backed war.

On a more conciliatory note President Ortega described the bilateral talks between Nicaragua and the U.S. at Man zanillo in Mexico as a "magnificent opportunity" to normalise relations and arrive at an agreement "based on mutual security."

He said Nicaragua did not *consider the U.S. an enemy* and wished for normal relations.

President Ortega said that the economic problems facing the country had "no easy solution." but the policy of the Government *would* be to defend the real salaries of production workers through incentives and tighter control *over speculators.*

Argentina clears interest payment

ARGENTINA'S *Central Bank* has authorised payment of interest arrears on private sector financial debt to foreign creditor banks, a move which bankers said will allow repayment of between $600m and $800m, *Reuter reports from* Buenos Aires.

Circular A 576, which the bankers described as complying with the terms of Argentina's agreement with the International Monetary Fund (IMF), allows private debtors to buy foreign currency to pay interest maturing between last-quarter 1983 and May 1985.

Anti-CBS campaign launched by Helms

By Nancy Dunne in Washington

U.S. conservatives, led by *Senator Jesse Helms* of North Carolina are preparing a letter-writing campaign to urge their fellow ideologues to buy stock in CBS Incorporated to "if necessary ... take control of that network."

Conservatives have long accused CBS of "a liberal bias." In choosing it as a target they are also attacking one of the most popular U.S. television newsmen, Mr Dan Rather, successor to Mr Walter *Cronkite* as anchor of CBS Evening News.

A letter, dated January 21, as yet unmailed, calls for "a national crusade" to gain influence over CBS and to "become Dan Rather's Boss." It is signed by Mr Helms, who has refused to comment on whether it would be mailed.

The News and Observer, the Raleigh, North Carolina newspaper which unearthed the letter, said copies are being printed.

Backers of Mr Helms have formed a group called Fairness in Media, which has filed papers with the Securities and Exchange Commission indicating that it would seek to purchase CBS stock. It also said it would request a *meeting with CBS* officials to try to change the network's alleged slanted coverage.

To purchase a controlling interest in CBS would cost more than $1bn (£888m) at current prices. Since only one member of Fairness in Media holds CBS stock — two shares — the effort is regarded by many journalists as a publicity gimmick to influence network coverage rather than a serious effort to take over CBS.

The campaign is the latest of a series of actions which has brought the U.S. press under considerable pressure from people and institutions it covers. In New York, two libel trails are underway with General William Westmorland pitted against CBS and Mr Ariel Sharon, the Israeli politician, *against Time Magazine.*

U.S. producer prices rise 0.1% in December

By Our U.S. Editor

U.S. producer prices rose by a bare 0.1 per cent in December, holding the overall wholesale inflaiton rate for 1984 at only 1.8 per cent, the Labor Department reported yesterday. The White House greeted the announcement as "real good news," predicting that price stability should continue into 1985.

Both government and private economists expect inflation at both the wholesale and retail levels to remain subdued this year, thanks partly to the strong dollar and declining energy prices, which fell by 1.3 per cent in December and 4.1 per cent over the year as a whole. Government analysts said yesterday that they saw no trends on the horizon suggesting a renewed flare-up of prices.

The retail price index for December will not be published for another 12 days, but it is expected to show that consumer prices rose by about 4 per cent in 1984, against 3.8 per cent in 1983. Following a rise of only 0.6 per cent in producer prices in 1983, the White House said that wholesale inflation had been the lowest in any two-year period for two decades.

Yesterday's figures followed optimistic remarks about inflation on Thursday by Mr Paul Volcker, the chairman of the Federal Reserve Board. He said said that continued progress in bringing inflation under control, *together with upward pressure* on the dollar, had given the Fed a little more flexibility in managing demand in the economy.

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Bedford to shed 487 jobs and close die plant

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

BEDFORD. General Motors' loss-making commercial vehicle subsidiary in Britain, is to shed 487 jobs or roughly 6 per cent of its present workforce of 8,000.

The company, which sustained losses of more than £50m in 1983 and also incurred a "sustantial" deficit last year, is to close its die-making plant in the town of Bedford where 219 hourly-paid and 30 staff are employed.

A further 61 hourly-paid employees involved in die-making Luton and Dunstable plants are

A further 177 staff at the Luton and unstable plants are to lose their jobs following a general review of the company's manufacturing operations.

Bedford hopes to achieve the reductions—the first cuts since 1981—through voluntary redundancy and early retirement. There will be compulsory redundancies if necessary.

The company took over the Bedford die-making plant in 1969, and until recently, manufactured dies for commercial vehicles and Vauxhall cars. However, most of the machine work on the car side is now carried out in West Germany where GM's Opel subsidiary is based.

Bedford said ysterday there was heavy over-capacity in Western Europe's die-making industry, but it was discussing with another company the possibility of selling the tool and die plant as a going concern.

Nearly all the hourly-paid employees at the Bedford die-making plant are skilled. They will be offered semi-skilled work at the Luton or Dunstable plants, with a gaurantee that their pay will be maintained for at least two years.

Those facing a big increase in travelling expense will be offered help by the company, either for travel or to move home.

Bedford said it was spending £70m on its vehicle assembly facilities, plus £12m on engineering operations, but "the company continues to face a major challenge to improve its cost base, the key to long-term viability and competitiveness."

Unions at Bedford last night condemned the closure. Mr Jim Thomas, national organiser of AUEW/Tass, the white-collar engineering union, said: "It makes no commercial sense, coming after the company's investment programme of the last three years. These cuts are a consequence of GM's worldwide strategy of using more outside contractors."

Union leaders from all Bedford and Vauxhall plants will meet on Monday.

Thorn close to setting up £133m film finance fund

BY RAYMOND SNODDY

THORN EMI is putting together what is believed to be the largest film fund ever to be set up by a British company. About 12 major banks in Britain, Europe and the U.S., are involved and it is expected that $150m (£133m) will be raised.

The aim is to provide finance for films of international quality made by independent producers. Investments will be made in a substantial number of films.

Details of the fund are nearly settled and an announcement is expected next month. Talks are continuing with a London merchant bank which will administer the fund for Thorn.

The setting up of the $150m fund closely follows the success of a Thorn EMI film fund launched in December. Nearly £18m was raised from institutions taking an equity stake in five Thorn films now ready for release.

The new fund is seeking to apply the principles of normal project finance to film investment, a business seen in the past as risky.

Mr John Reiss, production finance director of Thorn EMI's screen entertainments division, said: "I thought of both funds in my bath. It is a coincidence that both are coming out at the same time."

After working in the chemical industry Mr Reiss wanted to apply his corporate finance experience to raising money for films.

Under the plan, money should be relatively easily available to back a film which Thorn would like to make and distribute. For financiers the risk will be spread over a wide portfolio of films and efforts will be made to ensure a fair return.

N. Sea gas export plea made to Government

BY IAN HARGREAVES

THE Government should permit the export of gas from the UK sector of the North Sea as part of a programme to improve the working of the gas market and ensure a continued healthy level of exploration, a group of major oil companies says in its written evidence to the Commons energy committee.

The committee is taking evidence prior to starting hearings shortly on the subject of the UK's gas depletion policy.

The oil companies argue that by permitting gas exports, British Gas's position as the dominant purchaser of North Sea gas would be open to challenge, forcing it to pay prices closer to those in the international market.

According to Phillips Petroleum, this would not mean British Gas paying more for its supplies at present, since recent deals between oil companies and British Gas "may not be far from what could be achieved in a free market."

There is virtually unanimous agreement in the oil companies' evidence that the Government's attempt to put market pressure on British Gas by allowing gas producers to sell supplies direct to large consumers via the British Gas grid will not be successful.

So far there have been no takers for this provision of the 1982 Oil and Gas Enterprise Act — partly, say some oil companies, because British Gas tariffs for using the grid would be unfairly high.

British Gas, which has also submitted evidence to the committee, is against the export of UK gas because it says it needs all available supplies itself.

The dispute within the oil and gas industry about the need for imports of gas from Norway's Sleipner field is also taken a stage further in the evidence. Shell UK comes out clearly in favour of imports of "limited volumes, with a low load factor and available on short lead times," possibly to be imported by pipeline from the European gas grid.

UK Gas Depletion Policy Memoranda: Commons Energy Committee; HMSO; £5.85.

Lloyd's to study probe findings

By John Moore, City Correspondent

THE RULING council of the Lloyd's insurance market is expected to consider the findings of a disciplinary committee against two former leading executives of Alexander Howden, the insurance broker, at its meeting on Monday.

The disciplinary committee is understood to have completed its investigation and hearings on allegations against Mr Kenneth Grob, the former chairman of Alexander Howden, and Mr Ronald Comery, a former director. The allegations made by Alexander and Alexander Services, the U.S. broker which took over Howden, said that the two men, with three other former executives, had misappropriated funds from insurance interests and Lloyd's syndicates of the Howden group.

The council will have to decide whether to ratify the decision of the disciplinary committee

Official quits

MR JOHN REW, deputy chairman of the Association of Lloyd's Members, which represents the interests of more than 2,000 members of Lloyd's insurance market, resigned from the position on Thursday and all the association's committees.

David Lascelles analyses why Charterhouse Japhet was put on sale

Banking on success without one's bank

MR JACOB ROTHSCHILD has put the cat among the pigeons again. Only 14 months after he set the City buzzing about his merger with Charterhouse Japhet, he wants to sell the merchant bank to the Royal Bank of Scotland.

Is this another sign of the winds of change sweeping through the City, as so many of Mr Rothschild's deals appear to be? Or is the great visionary in danger of conducting just one deal too many to be credible, particularly after the abortive merger effort with Hambro Life last year? For the Royal Bank, at least, it's a sign of its growing self-assertiveness.

When Mr Rothschild's RIT & Northern got together with Charterhouse at the end of 1983 to form Charterhouse J. Rothschild, the aim was to create an all-round, well capitalised financial services group.

RIT had interests in stockbroking (in the U.S. and the UK), leasing, factoring, and a flourishing investment management business. Charterhouse had all the usual attributes of a merchant bank (banking, corporate finance, development capital) plus membership of the prestigious Accepting Houses Committee.

Any hopes of bringing this conglomerate to the retail market collapsed last summer when the proposed merger with Allied Hambro, the large and innovative life company built up by Mr Mark Weinberg, fell through.

The latest thinking in Mr Rothschild's office in the shadow of St Paul's Cathedral seems to be that in the brave new world which is evolving on both sides of the Atlantic you do not even need a bank to be successful in investment banking.

As long as you can do deals, trade in the capital markets, and run venture capital and investment portfolios why encumber yourself with a highly regulated and not particularly profitable deposit and loan business?

This is fashionable thinking on Wall Street where none of the successful investment banks like Morgan Stanley, Salomon Brothers and Goldman Sachs has a bank in the old-fashioned sense. It runs counter to the view in the UK, however, where virtually all the big securities groups being assembled have a banking base.

Not having a seat on the Accepting Houses Committee is no great tragedy these days, and the less charitable view in the City yesterday was that Charterhouse — never the most glittering of the merchant banks — had failed the CJR test.

Using capital "opportunistically" rather than cementing it down in buildings and costly acquisitions seems to be the watchword. If the deal goes through, the resulting CJR (it will have to change its name) will probably be buying its way into deals and people rather than other companies — at least until Mr Rothschild has further thoughts.

Mr Jacob Rothschild . . . in line with Wall Street

After the deal, his group will have investment management, a leveraged buy-out business, the stake in L. F. Rothschild Unterberg, Towbin, the Wall Street securities firm, a 29.9 per cent stake in London stockbroker Kitcat and Aitken—and a great deal of free capital with which to play.

On top of the proceeds of the sale, there is the £165m CJR realised from its stake in Hambro Life plus its own reserves.

Perhaps the most intriguing aspect of the sale is that Mr Rothschild did not initiate it. The aproach came from Royal Bank which has been trying to establish itself more firmly to fight off the constant takeover speculation that has dogged it since the Hongkong and Shanghai Bank bid three years ago.

Whether or not the deal will finally prove that the Royal can "stand on its own two feet" as its chief executive Mr Sidney Procter put it yesterday, it certainly shows that the Edinburgh-based bank can move on to the offensive.

After putting up an impressive profits performance last year (it earned £131m pre-tax, an increase of 38 per cent over 1983) it is trying to pull itself into a more tightly knit group by merging the Royal Bank with its English subsidiary, Williams and Glyn's.

Oil product prices set to rise

By Dominic Lawson

TEXACO, THE U.S. oil company, is to raise the price of the petroleum products it sells to its UK commercial and industrial customers by 2½ to 3½ per cent from tomorrow night.

The move seems certain to be followed by Texaco's rivals, such as Esso, Shell and British Petroleum next week.

BP said yesterday: "We are giving all our product prices urgent review." This suggests it is considering an increase in the price of petrol, which Texaco has left alone.

The main reason for the increases is the strength of the dollar, the currency in which oil products are priced, against sterling.

Over the past month gas oil and fuel oil spot prices have risen in sterling terms by about 8 per cent. This is partly in response to cold weather in Europe which has increased the demand for heating oil.

Free market North Sea crude oil prices yesterday continued to recover from the lowest levels seen in almost six years. February shipments of Brent, the UK official crude, traded at just under $27 a barrel, making a two-day rise of about 80c.

Arab Light, the official crude of the Organisation of Petroleum Exporting Countries, was also firm.

Engineering research allocation cut

BY DAVID FISHLOCK, SCIENCE EDITOR

ENGINEERING is to receive only half its hoped-for money allocation—the highest percentage cut in any sector of the revised science budget of £583.9m for 1985-86 approved by the Government.

The Fellowship of Engineering, a society representing the nation's most eminent engineers, will receive less than £500,000 for the next three years. It had been led to expect nearly £1m.

The Government was obliged to revise its science budget last month following a Tory backbench revolt against plans to increase spending by reducing student grants for higher education.

The science budget supports academic research in Britain and the Government had planned to increase it by a total of £70m over the next three years.

Instead it has been able to find only an additional £56m, necessitating cuts in the budgets of all five research councils and all of the other activities it suports.

In a letter to Sir Keith Joseph, Secretary for Education, on December 20, published today, Sir David Phillips, chairman of the Advisory Board for Research Councils, says the extra money "still represents a valuable boost to the nation's research capability at a time when new scientific opportunities of great promise are opening up at an unprecedented rate."

Sir David says the new money will "broadly maintain the present level of funding" for the current year.

His board recommended a general trimming of budgets in order to preserve the original basis on which it proposed to deploy the extra cash.

Three areas to be boosted are: efforts to lease funds for more research of high priority and to win more long-term flexibility; the number of the most highly-rated research grant applications; and investment in instruments that hold promise of making British research more attractive to would-be overseas collaborators.

Five research facilities of the Science and Engineering Research Council are believed to hold special attraction for other nations. They are the spallation neutron source at Chilton, the synchroron radiation source at Daresbury, the laser facility at Chilton, the infra-red telescope in Hawaii, and the new optical telescope at La Palma.

An extra £2.75m is allocated for extra instrumentation to improve the efficiency and utility of these facilities.

REVISED SCIENCE BUDGET

	1984-5 £m	1985-6 £m
Agricultural and Food	46.5	50.3
Economic and Social	22.0	23.6
Medical	117.2	122.3
Natural Environment	65.9	67.3
Science and Engineering	278.0	298.0
British Museum (Natural History)*	9.75	16.2*
Royal Society	5.3	5.9
Fellowship of Engineering	0.15	0.25
Total		583.9

* Includes £4.8m spent by the Property Services Agency.

Further advice on the science budget 1984. Published by the Department of Education and Science, Publications Despatch Centre, Canons Park, Stanmore, Middlesex. Free.

Shorts wins Airbus engine parts contract

By Michael Donne, Aerospace Correspondent

SHORT BROTHERS of Belfast, and Rohr Industries of the U.S., have jointly won the contract from International Aero Engines to build key parts for the new IAE V-2500 engine, intended for the Airbus A-320 airliner.

Short Brothers and Rohr announced at last year's Farnborough Air Show they were joining forces to bid for the IAE deal, which could be worth millions of dollars.

The contract is to build the nacelles, which include the casing round the engine and all the electrical and other systems connecting the engine to the aircraft, as well as the thrust reverser and other items. They will cost $1m each.

International Aero Engines is the seven-company, five-nation consortium set up to build the V-2500 advanced technology engine for the A-320 and other airliners. The first test engine will fly in April 1987.

IAE's partners include Rolls-Royce and Pratt & Whitney of the U.S., each with 30 per cent; Japanese Aero Engines Corporation, with 23 per cent; MTU of West Germany, 11 per cent; and Fiat Aviazione of Italy, 6 per cent.

The nacelle work will be shared in the ratio of 60 per cent for Rohr and 40 per cent for Short Brothers.

Rohr and Shorts won the IAE deal in the face of fierce competition from another U.S. group, Grumman and Martin Marietta.

Sir Philip Foreman, Shorts chairman, described the news as a marvellous start to 1985.

He said: "The design will involve considerable activity for our engineering team and once in production it will provide jobs for up to 400 people."

Shorts will carry out the design and manufacture of the inlet, fan cowl doors, engine unit including the electrical and hydraulic connections.

Assembly will take place at Rohr's plant at Toulouse, France, close to the Airbus Industrie's final assembly line.

Railmen warned that support for NUM 'could cost jobs and pay'

BY BRIAN GROOM, LABOUR STAFF

BRITISH RAIL warned unions yesterday that jobs could be lost, investment cut and little or no money might be available to meet this year's pay claims unless railmen abandoned action in support of striking miners.

In a tough-worded letter, Mr John Palette, the BR Board's managing director (personnel), said Thursday's planned one-day strike by 5,000 members of the National Union of Railwaymen and the drivers' union Aslef in Yorkshire, Leicestershire, Derbyshire and Nottinghamshire was "folly of the highest order."

BR hopes to meet the two unions early next week to head off the strike over alleged harassment of members who are refusing to move coal. It threatens to halt main line trains between London and Sheffield, and London and Scotland, along with cross-country services.

The board has lost more than £200m in freight revenue since the pit strike began last March, 40 per cent of it because some railmen are refusing to move coal, oil and iron ore. About 800,000 tons of coal a week are being transported by road, and BR fears some of this traffic will never return.

Mr Palette said the lost traffic equated to more than 800 jobs. Regional general managers would be deciding whether to "adjust resources downwards" and reduce job opportunities.

Investment plans will probably need to be reconsidered, he said. BR has already cut plans to renew the freight locomotive fleet and "similar action must now be considered for both rolling-stock and infrastructure related to the freight business."

Mr Palette said the loss of freight revenue was being felt throughout the industry, making it "extremely difficult for the board to consider what resources will be available for any claims which made may be made on it in the immediate future in the matter of improvements in pay and conditions of employment." Pay talks are due soon, for an April settlement date.

BR will press the unions to handle coal, oil and iron ore at a Rail Council meeting on January 22. It also wants agreement on two outstanding productivity items: driver-only operation of freight trains, and single-manning of locomotives.

Learning lessons from gas blast tragedy

Walter Ellis with background to the Putney explosion

GAS in inherently volatile. "If it wasn't flammable, we couldn't sell the stuff," Mr Richard Cassidy, for British Gas, said yesterday.

Yet it is a lot safer than most people think. Serious accidents are very rare.

Thursday's explosion at Putney, in south London, in which eight people died when the centre of a three-storey block of flats collapsed, was as typically rare as it was seemingly typical of its kind. Explosions resulting in multiple deaths occur about once or twice a year.

An inquiry has yet to determine the cause of the blast, but it is thought to have arisen from a sudden massive mains leak, possibly brought on by the intense cold affecting the Southeast

British Gas has 16.2m customers, up from 13.4m in 1972. In that period, the number of serious explosions has risen from an annual average of 29 in the six years from 1972-79 to a corresponding 35 in the five years since.

In the seven years to the end of last Marsh (British Gas accounts death in respect of its financial years), the average annual death-toll from gas explosions was just over 11. Another seven died between last April and December.

Most fatalities are believed to arise from customer misuse of facilities. Turning on an oven or a gas fire without bothering to apply a match, is probably the most common cause of accidents.

British Gas has been modernising its mains pipes at a rate of 2,000 miles a year since 1977. However, there are 140,000 miles in the system, and the programme is far from complete.

It is claimed that the replacement programme for suspect pipes is "under control" and that the highest known risks have been eliminated. The current replacement budget is costed at £800m, funded by gas board resources.

Visiting the scene of the Putney blast yesterday, Mr Tom King, Environment Secretary, said that more than 9m homes in the UK had gas central heating, and last year there had been just 25 serious accidents.

He said: "I want to see that figure (for accidents) even lower, and that will come from learning any lessons from tragedies like this.

"No one can give an absolute guarantee, but the raising of standards, improvement in training and maintenance, plus sensible behaviour by consumers themselves, can all help to improve safety records."

Mr King said that the Health and Safety Commission, which is carrying out the Putney investigation, would produce a report as son as possible.

Miners fail in picket ban move

BY PHILIP BASSETT, LABOUR CORRESPONDENT

WORKING MINERS in South Wales were yesterday refused temporary High Court injunctions to halt mass picketing in the coalfield.

Mr Justice Mervyn Davies refused to grant temporary injunctions against the South Wales area of the National Union of Mineworkers pending a further hearing on January 21 of the case brought by 20 working miners.

The judge said it would not be right at this stage of the legal proceedings to decide what was and what was not lawful picketing.

However, he said it was a "great pity" that the area union was unable to offer the court a temporary undertaking on picketing "to put an end to the distressing state of affairs" disclosed in evidence.

He appealed to the union to consider in common sense the right approach before the further hearing.

The 20 miners are suing the area union and leaders challenging the strikes' legality in South Wales and claiming damages which allege conspiracy to assault and intimidate them or induce them to break their contracts of employment.

Before these actions are heard they were seeking injunctions to limit the number of pickets at pits in the area and to prevent any spending of union funds on unlawful picketing.

Mr Louis Blom-Cooper, QC, for the working miners, said that picketing had been accompanied by intimidation and that miners' homes had been picketed. This was clearly outside the law on peaceful picketing. The working miners claimed that the picketing was planned at both local and national level of the union.

Among examples cited to the court was the occasion in which a lump of concrete was thrown through the window of a taxi taking a miner to work killing the driver, Mr David Wilkie.

Mr Anthony Scrivener, QC, for the area union and its leaders, said the union had always ensured that picketing was not carried out in a violent way.

He said he had been specifically instructed not to give any temporary undertakings to limit the number of pickets.

Mr Scrivener said the union wanted further time to put in evidence in reply to what amounted to a charge of criminal conspiracy. He said, however, that Parliament had not imposed any restriction on picket numbers—there was merely a code of industrial practice which was not binding in law.

Institute in current-cost accounting flexibility call

BY MICHAEL PROWSE

THE Institute of Cost and Management Accountants yesterday called on the Accounting Standards Committee to withdraw its current-cost accounting proposal ED 35.

ED 35 is too "narrow and exclusive," said the ICMA, and attempts to enforce it might "place the whole standard-setting process in jeopardy."

The ASC should investigate in detail more flexible alternatives which would allow directors more freedom in accounting for price changes.

The Institute thinks adjustments for price changes should form an integral part of accounts

It argues that a specific duty should be placed on directors to ascertain and explain the impact of price changes. The duty might need to be backed by statutory provisions.

Alison Hogan writes: The Institute of Chartered Accountants in England and Wales is spending up to £30,000 on modernising its image.

Over the next few months new typefaces and cover designs will appear on institute publications. Mr Brian Jenkins, deputy president, said the institute wanted to project an image to the public of the institute as "a natural leader of the UK accountancy profession."

With 39 per cent of its active membership under 35, the institute wants to increase the involvement of younger members. It is holding a conference for under 35s which is being publicised with a cartoon of Clark Kent ripping off his dull jacket to reveal Superman's costume beneath with "ICA" emblazoned across his massive chest.

He asks: "Chartered accountants—the natural business leaders?"

Court action over NUM funds delayed

BY OUR LABOUR CORRESPONDENT

A GROUP of working miners seeking to replace the present leaders of the National Union of Mineworkers as trustees of the union's funds agreed yesterday to delay their High Court action until after forthcoming elections for the national executive committee.

Mr David Oliver, counsel for the 16 miners involved who are led by Mr Colin Clarke, chairman of the National Working Miners' Committee, told Mr Justice Nicholls that an adjournment had been agreed by the two sides in the action because of the imminence of elections which might change the complexion of the executive.

Nominations for the elections are due next month. Working miners are predicting a shift away from the current left leadership, and have warned that they will take further legal action to ensure the elections take place if there is any attempt to prevent them.

The judge also adjourned, to a date to be fixed, separate legal proceedings, brought originally by two miners from the NUM's Yorkshire area, in which sequestrators appointed by the court to seize the NUM's assets were seeking orders in relation to funds held in Dublin.

Mr Howard Page, counsel for Price Waterhouse, the sequestrators, pressed for an adjournment in advance of proceedings due to be heard early next week in the Dublin High Court at which the sequestrators will try to obtain the NUM's assets held in Ireland.

It emerged yesterday that the Dublin court has allowed £10,000 of the £2m held in Ireland to be unfrozen to allow the NUM to meet legal charges to fight the case.

● Leaders of the pit deputies' union Nacods are to hold a special delegate conference in Barnsley next Wednesday on a pay offer made yesterday by the National Coal Board.

The offer, based on the 5.2 per cent proposed by the board before Christmas, is likely to be put out to a membership ballot following the conference.

● The NCB in North Derbyshire has taken on 45 trainee miners—some of them the sons of men on strike—to start work next week.

● The board announced it is to invest £30m in Ollerton colliery in Nottinghamshire over three years to ensure its future. Most of the pit's 700 miners have worked throughout much of the dispute.

Bicycle sales drop by 7% in 'a very difficult year'

BY MICHAEL STRUTT

SALES OF bicycles in the UK last year were 7 to 8 per cent lower than in 1983 and margins continued low, the Bicycle Association, representing makers, said yesterday.

Mr Michael Smith, retiring president, said at the association's annual meeting in Coventry that 1984 had been "a very difficult year" with much-reduced sales at Christmas, but trading for 1985 could be viewed confidently.

Estimated market deliveries for the year were about 2m, against 2.15m in 1983, of which 1.39m (1.55m) machines were home produced, the association's annual report says.

Imports of 860,000 machines continued a rising trend (840,000 in 1983) but exports were 10,000 up at 250,000. Exports were running at more than 1m in the 1970s until several important markets were lost.

need to include a role for the

Mr Smith emphasised the bicycle as personal transport in road and traffic planning. They helped to produce a "cleaner, healthier and safer environment."

"The vast majority of car journeys in urban areas are of less than three miles, well within the scope of the cycle, given space and the right attitude," he said.

The Ministry of Transport and some local authorities had responded well to the greater awareness of cycling's benefits for shorter journeys, but many people were still not converted to this idea.

ECONOMIC DIARY

TOMORROW: Department for National Savings monthly progress report (December). Mr Richard Luce, Foreign Office Minister, starts visit to Oman (until January 16).

MONDAY: Producer price index numbers (December-provisional). Retail sales (December-provisional). Engineering pay talks.

TUESDAY: Institute of Directors makes 1985 Budget submission to Chancellor.

WEDNESDAY: Index of production and construction for Wales (third-quarter — provisional). CBI/FT survey of distributive trades (end-December). Average earnings indices: employment, hours and unit wage costs (November—provisional). CBI Council meets. Statement on the redevelopment plans for the Royal Docks. TUC Employment Policy and Organisation Committee meets.

THURSDAY: British Telecom makes statement on £160m payphone modernisation plan. Preliminary estimates of consumers' expenditure (fourth-quarter—provisional). Index of output of the production industries (November). Public sector borrowing requirement (December). UK banks assets and liabilities and the money stock (mid-December). London sterling certificates of deposit (December). One-day rail strike threatened on Eastern and London Midland regions. Greek and Turkish communities leaders meet for first direct talks in five years.

FRIDAY: *Industrial and commercial companies capital account and net borrowing requirement (third quarter).* Tax and price index (December). Retail prices index (December). Mrs Margaret Thatcher to visit West German Chancellor Helmut Kohl.

Waldegrave defends acid rain decision

By Ivor Owen

THE GOVERNMENT took into account expectations that UK industry's contraction will not be quickly reversed when it decided against a crash programme to limit emissions from power stations which cause acid rain, Mr William Waldegrave, Environment Under Secretary, indicated in the Commons yesterday.

He said a "realistic assessment" of industrial trends and the future shape of industry was a factor which influenced the Government when it refused to require the Central Electricity Generating Board to spend between £1.5bn and £2bn on gas scrubbers to reduce emissions from power station chimneys.

Sir Hugh Rossi, chairman of the all-party Commons environment select committee, led demands from both sides of the House that the Government reconsider its position on a unanimous committee recommendation.

The committee favoured a crash programme to enable Britain to support the EEC draft directive that total annual emissions of sulphur dioxide from power stations should be reduced by 60 per cent, with 40 per cent reductions in nitrogen oxide and dust.

Dr David Clark, chief Opposition spokesman in the debate, said that the directive coincided with Labour Party policy. In face of evidence that pollution from British power stations was contributing to acid rain damage in Germany and Scandinavia, he warned that the Government's stance could have repercussions on trade.

He described the Government's response to the committee's principal recommendation as "shameful" and argued that it was in effect "waging chemical warfare on our neighbours and on our own country."

Mr Waldegrave maintained that a single crucial link needed to be established to show what environmental and financial gains would accrue from further reductions in power station emissions.

Britain had achieved a 40 per cent reduction in sulphur dioxide emissions from the peak year of 1970 and 20 per cent since 1980. The Government did not believe it would be responsible to rush into a crash programme which would add 5 per cent to the cost of electricity.

Mr Waldegrave reaffirmed that the Government hoped the EEC would reach a broad agreement on the steps needed to limit damaging lead emissions from cars.

He stressed the importance of avoiding restrictions which harmed the EEC market in cars—a development which would be of immense benefit to Japan.

Dock redundancy scheme runs into funding problem

BY BRIAN GROOM, LABOUR STAFF

THE NATIONAL Dock Labour Board has run into a problem over the short-term funding of its voluntary redundancy scheme for registered dockers.

Barclays Bank is seeking assurances from the Department of Employment about the financing of the scheme before agreeing to extend the board's £9m overdraft.

The board is believed to be seeking something like another £7.5m because of extra redundancies authorised in recent weeks but there is a problem over collateral. The board's property is not valuable enough to cover it.

It is not yet clear exactly what the bank is seeking but it is likely to be some kind of assurance that the severance scheme, which is overseen by the department, will not ultimately default.

The board has identified finance for the urgent severance payments in Southampton where about 180 dockers are dut to leave in the next two weeks.

Severance payments in London and Liverpool are similarly assured because the cash is made available by the Department of Transport.

The board's long-term loans are from the Government but it uses commercial sources for short-term cash flow. Talks between the board and Barclays will take place soon.

In recent years the board's annual accounts have included an auditors' qualification that the debt to finance severances may not ultimately be recoverable from employers in a levy

Pay dispute settled at Sanyo plant

By David Goodhart, Labour Staff

A PAY dispute at the Sanyo television plant in Lowestoft has been settled without going to "pendulum" arbitration.

The dispute had been expected to become a test case for the no-strike/pendulum arbitration deals signed recently by the Electrical, Electronic, Telecommunication and Plumbing Union. Under these, an arbitrator can decide in favour of the claim or the offer but cannot split the difference.

The EETPU at Sanyo had rejected an offer of a 6 per cent pay rise, an extra day's holiday and a number of other benefits which the company said was worth 12.2 per cent of its pay bill for the 240 employees.

After yesterday's mediation the union accepted a 7 per cent increase on basic rates.

Councils make 5% pay offer

By Our Labour Staff

LOCAL AUTHORITY employers yesterday made a 15-month pay offer to 60,000 craftsmen and labourers which is worth about 5 per cent on an annual basis. The unions will put it to their members for approval.

This suggests that the key group of 900,000 council manual workers, who have so far been offered 4.5 per cent, are unlikely to be happy with anything less than 5 per cent.

Yesterday's offer would give an extra £5.90 a week to a plumber on a basic £102.28, £5.50 to a craftsman on £95.32, and £4.70 to a labourer on £82.11.

This changes the craftsmen's settlement date and removes them from the early part of the pay round. The manual workers are also seeking to move out of the front line, perhaps to April or July, but the employers have so far refused.

If the employers raise their 4.5 per cent offer to the manual workers, this will to some extent undermine the Government's hopes of keeping public sector wage deals to last year's level. The manual workers settled at 4.5 per cent last year.

Lisa Wood looks at a brewer's attempt to increase market share

Harp calls time over slide in lager league

LAGER'S SHARE of the British ber market, already at nearly 38 per cent, seems set to rise still further this year, and the battle for market share will be cut-throat.

Early this week, Allied Breweries announced boardroom changes in a drive for higher sales.

Meanwhile Harp, a subsidiary of Arthur Guinness, reckons it is ready to re-enter the fray after its involvement in the market went flat in the late 1970s.

Harp has now completed a major re-organisation of its business after a long period of industry speculation over the brand's future.

Changes include the introduction of an in-house sales team and the negotiation of fresh contracts with wholesale customers with the result they are putting more muscle behind selling the brand.

Just how badly Harp, fifth in the sales league table, had fared during a period of rapid increase in consumption of lager is illustrated by the fact that production fell from 1977 until the end of June 1983.

Hopes are high at the company—and to some extent in the City—for a recovery of the 10 per cent share of the lager market which it last recorded in the late 1970s. Volume production is about 7 per cent of a market worth £2.5bn to £3bn at retail prices.

There is also a renewed confidence in the brand at Arthur Guinness, which has a 75 per cent stake in Harp's UK operation and 100 per cent ownership of its overseas activities.

WATNEY Mann & Truman, Britain's fourth biggest brewer, yesterday announced the closure of its ale brewery in Norwich with the loss of 155 jobs.

Watney Mann, a subsidiary of Grand Metropolitan, said the swing from ales to lager was responsible. The Norwich brewery was considered unsuitable for lager production.

The Norwich Brewery Company will continue to supply the same range of beers to its 800 pubs and a similar number of free houses, but they will be brewed elsewhere.

Mr Stephen Digby, managing director of Harp in the UK, said: "At the present Harp is not a genuinely international brand, but the potential is there. It was very difficult to win overseas sales with the brand doing badly in the UK market."

Restoring the brand's market position in the UK with a view to further international development was Mr Digby's brief from Guinness when he took over at Harp in April 1983.

"In the short term, restoration of the brand would have taken precedence over profitability if the need had arisen," Mr Digby said. He hinted that the initial financial hurdles may soon be over.

Harp was introduced from Ireland into the British market by Arthur Guinness in 1962 in an attempt to diversify from its traditional stout while staying in the beer market. Then lager had a 3 per cent share of the beer market and Harp soon took a quarter of that share.

Guinness, a brewer with no pubs, decided to involve other British brewers who would then have a vested interest in promoting lager sales in their pubs.

Initially Guinness had 50 per cent of Harp's equity with Courage and Scottish & Newcastle each holding 22.5 per cent and Bass Charrington 5 per cent. Bass, however, decided to develop its own lagers and sold its stake to Courage and Scottish & Newcastle.

The arrangement worked fairly well until the mid-1970s, when the lager boom began. "Individually the companies wanted Harp but they also wanted to devise their own products," Mr Digby said. Members of the consortium started to put more effort into promoting their own lagers.

The consortium broke up in 1979. Brewers then continued to brew and market Harp, but under a franchise from Guinness which took 70 per cent of the equity with Greene King and Wolverhampton and Dudley, two large regional brewers, becoming shareholders.

Under this agreement all customers could sell Harp wherever they liked. The result was that some customers did not see the benefits of selling a brand which was also sold by some of their competitors.

Last June, however, Harp gave sole rights for distribution to the take-home trade to Courage and in September arrangements were made with Scottish & Newcastle, Greene King and Wolverhampton & Dudley, giving each near-exclusive franchises for distribution and sales of the brand in their regions.

Harp says its partners now have more control over the brand and are, therefore, keener to promote it in their pubs.

For the future, the company sees itself in a strong position to exploit the need by many small brewers to brew a lager, for many of those totally dependent on ale-making could go out of business if the trend to lager continues.

"All the smaller regional brewers are considering what they should do about lager," Mr Digby said. "Their own brands, if they have got them, often simply cannot stand up against the heavily advertised major brands."

According to Mr Digby the offer of brewing Harp under licence could be a more attractive proposition than buying in major competitors' brands. These are often brewed under licence from Continental brewers and their British brewers are therefore not able to give franchises.

UK LAGER MARKET

Brand	Brewer	Market share %
Carling Black Label	Bass	16
Carlsberg	Carlsberg	14
Heineken	Whitbread	14
Skol	Allied	11
Harp	Breweries	7
Hofmeister	Harp	5
Others	Courage	33

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THE WEEK IN THE MARKETS

Sterling turns a deaf ear to rates

LONDON

ONLOOKER

THE anxiously awaited money supply figures for December, showing a half point fall in Sterling M3, was just what the doctor ordered; or so it seemed on Tuesday. With the pound's value continuing to sag and the key three-month interbank rate showing an uncomfortable premium over the clearers' base rates there seemed a very strong possibility last weekend that interest rates would have to rise.

Yet the Tuesday announcement, showing that the *annualised growth rate in the* money supply had been kept to 10 per cent, right at the top of the Government's 6 to 10 per cent target range, was better than most could have dared hope for. It looked as if the pressure on base rates was off for a while, gilts climbed by 1½ points and equities — judged by the 30-Share — rose 15.5 points to 971.2.

The other side of that particular coin, however, is that without the prospect of higher domestic rates sterling came under even more pressure. By Thursday evening all the good work of the money supply figures had been undone by a pound worth just $1.1335 and an interbank rate of just over 10 per cent. The outlook for base rates appeared just as grim as it did on Monday morning. Equities halted their record breaking run — by Wednesday the 30-Share had risen by 6.4 per cent since the beginning of the account — and gilt prices also went into retreat.

Yesterday National Westminster opened the batting adding a full point to its base rate taking it to 10½ per cent. The others soon followed in its wake though perhaps there is some justification for arguing that the banks should have gone further to 11 per cent. Anyway it was certainly enough to put an icy *blast through the market.*

Such is the mood these days, however, that yesterday's shake-out may be no more than a modest pause in the climb of the 30-Share towards 1,000. One of the most remarkable figures this week — sterling apart — is the level of stockmarket activity. On Tuesday the value of equity bargains jumped to £500.5m; on Wednesday it was a staggering £645.1m and even in the less euphoric conditions of Thursday the figure was still *over £605m.*

The institutions appear to be moving in a big way and there is also some anecdotal evidence that the Americans have rediscovered Throgmorton Street.

Disappointments

Putting that aside for the moment and concentrating on the likely course of corporate profits growth in general and what it could mean for dividends this year — forecasts of 12 per cent growth are around *—there are still some good solid* fundamentals to underpin current share prices. But life is not without disappointing performances from some companies. This week both Associated Dairies and Thorn EMI failed to live up to the City's expectations which, in all fairness, were not particularly high in the first place for Thorn.

More of Thorn later, first Asda which had actually signalled some of its current difficulties as long ago as the annual meeting last October. *So the analysts did not have* many excuses for getting their sums wrong. It was clear that the miners' strike was having a material impact on the group's northern stronghold while the milk shortage last summer—a result of an exceptionally dry summer and EEC regulations—had also put a brake on interim profit growth.

Yet probably even the company had not foreseen the full impact of these problems, especially the miners which must have cost Asda the best part of £2m in lost profit. Anyway ahead of Wednesday's announcement outside forecasts were bunched around the £56m to £59m area compared with £48.7m from the same period of 1983. In the event the 28 weeks to November pulled in just £53.7m pre-tax.

It was not just a story of milk and miners. Investment income was about £2m below expectations but Asda's store opening programme has been concentrated into the interim period. The group has spent *some £63m on its stores against* a total of just over £81m for the whole of the previous year. Five stores were opened in the first half with another two since then. Also the period has been blotted by poor performances from Wades Department Stores and Wallbridge Carpet Mills.

But it hardly seems fair to criticise Asda for accelerating its capital spending—the group's return on capital is around 30 per cent; gilt yields may be good but not that good. And both Wades and Wallbridge *have either departed the* group or are about to go. There is a £20m management buy-out being arranged for Wades.

So Asda's problems look no more than a coincidence of some rather minor difficulties all of which, miners apart, are now behind the management. Certainly the underlying performance of its retail operation *—some four-fifths of profits—is* sound enough with volume from existing stores up by nearly 3 per cent over the period. Analysts may have to downgrade their full year expectations a shade but the shares (admittedly somewhat cheaper last night than a week ago) still look reasonable value.

Powell Duffryn

Striking miners have also put a £2½m or so hole in the profits of Powell Duffryn, the fuel *distribution and engineering* group. But unlike Asda the shortfall is not one that can be philosophically written-off as a factor of little long term significance. PD is currently trying to fight off a very unwelcome £180m bid from Hanson Trust and every penny in the profits line counts.

Hanson's timing has been as astute as ever pitching the bid as PD's chairman put it "when we were on our knees because of the miners' strike." His task to try and keep his company independent, or at least squeeze a better price out of Hanson, would be less daunting but for the sharp rise in the bidder's share price since the attack was launched ten days before Christmas. Since then the value of Hanson's four-for-three share offer has climbed by 16 per cent.

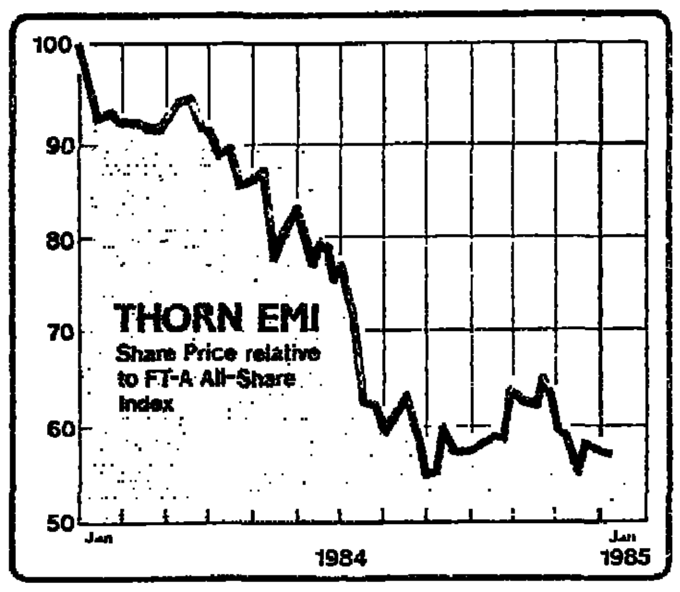
Worth around 450p a share the offer stands way above PD's historic asset value and close to current cost net worth. So the defenders will have to rely heavily on their ability to make profits to convince their shareholders. The document this week forecast £19½m pre-tax for the year to March, a rise of 6 per cent over the figure for 1983-84, although this would have been nearer £22m but for the miners, a rise of 20 per cent over the previous year.

Taking the higher figure of what might have been, rather than what has been (a fair enough stance taking a long term view of the company) the exit earning multiple implied *by Hanson's terms is not much* more than 11. That does not give much of a premium for a bid but in spite of that and PD's arguments that investors would lose income by taking Hanson paper, the defence may have its work cut out to convince shareholders that they would be better off in the long term to stay with PD's equity.

British Telecom

One group that had very little difficulty living up to the market's expectations was the freshly privatised British Telecom. The group had produced its profits forecast of £1.35m for the year when it was already eight months into the period so Thursday's interim statement predictably contained nothing really to surprise. Pre-tax the six months are ahead by 23 per cent — using a consistent accounting basis—to £684m.

That was in the right ball park for the analysts but in share price terms, anyway, Telecom can hardly go wrong. After the announcement the price moved up another 5p to 120p for the partly paid shares, 70p above the offer price and capitalising the stock at over £12bn.



The only thing which resembles a surprise was the slightly lower figure for capital expenditure on new exchange equipment in spite of an overall increase in spending of £135m to £855m in the first half. The explanation is straightforward enough. While exchange spending accounts for a significant part of Telecom's £1.8bn budget this year, there have been delays in getting the new System X digital exchanges running properly. To redress the balance Telecom may be accelerating its spending on computers for example, so it should be able to avoid any bunching of expenditure next year.

Dim picture

The market can now look forward to Telecom beating its prospectus forecast by £100m to £150m with perhaps £1.8bn in sight for 1985-86. Assuming a tax rate of 36 per cent the prospective p/e of 13 may not quite be a high-flying glamour rating but it has certainly left behind any vestiges of being a *utility company.*

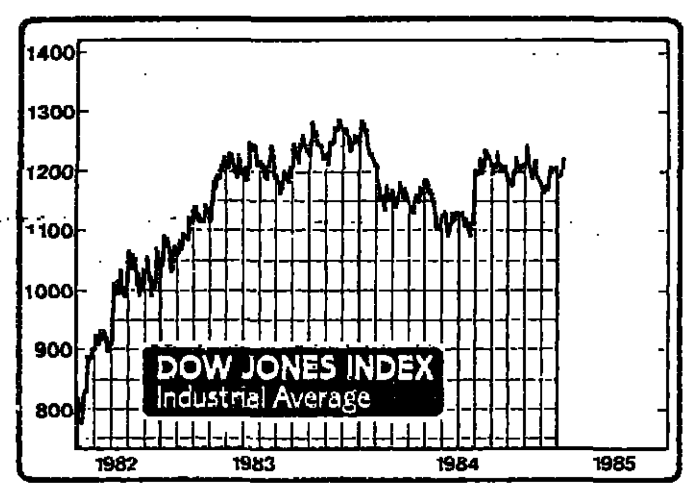
Back to Thorn which, as the chart shows, has been one of the City's least favourite companies over the last year, underperforming the market by more than 40 per cent. This week's interim figures will have done little to stop the rot. Pre-tax the group is down by 28 per cent to £40.2m and it now looks as if Thorn will be lucky to do much better than match last year's full-year profits of £157m in 1984-85.

The prime cause of Thorn's dismal performance is its consumer electricals division *which* takes in the Ferguson manufacturing business and a large television and video rental operation. Ferguson only broke even in the first half against a profit of £13m as both the television and video markets came under pressure.

Demand for large screen television in the UK has declined and while the smaller sets have sold better, price competition — particularly from imports—has cut profit margins to water thin proportions. As for videos, demand in the UK is *running about a third down on* the record level of 1982 and heavy discounting by the manufacturers has made sure there is little profit to be made from what sales are left.

With that in mind the management's thoughts of a price rise for videos next month seems rather odd. It would be quite a feat if Thorn can get a price rise to stick. Still the case for supporting Ferguson rests on servicing the rental business which at least should start generating cash this year after some heavy capital investment. And that must be all to the good considering that Inmos is likely to show a very healthy appetite for devouring money in 1985.

Terry Garrett



MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1984/5 High	1984/5 Low	
F.T. Ord. Index	968.3	+27.3	983.1	755.3	Base rate hike thwarts advance
Bespak	250	−83	355	240	Second-half profits warning
British Telecom	120	+14	122	88	Heavy institutional demand
Cable & Wireless	484	+34	507	270	Broker's recommendation
Carclo Engineering	188	+20	188	100	Good interim figures
Courtaulds	145	+20	160	108	U.S. demand/bid speculation
Falcon Resources	290	+85	300	85	U.S. exploration hopes
Foseco Minsep	207	+30	210	144	Favourable Press mention
Gates (Frank G.)	84	+24	91	48	Bid approach
Inchcape	436	+43	445	275	Overseas earnings considerations
Jaguar	279	+25	280	170	Overseas earnings considerations
Kleinwort Benson	443	+68	460	320	Takeover speculation
Leech (Wm.)	178	+44	178	70	Agreed bid from C. H. Beazer
Magnet & Southerns	110	−14	180	106	Disappointing interim results
Neill (James)	151	+15	156	42	Hopes of bid from Suter
Oliver Prospecting	65	−75	235	60	Dry well fears
Pentlands Inds.	363	+63	380	55	Overseas earnings potential
Riley Leisure	54	+14	148	30	Takeover speculation
Scapa	476	+46	476	253	Press recommendation
Thorn EMI	447	−15	700	375	Disappointing interim profits

Optimistic Volcker boosts Wall St

NEW YORK

TERRY BYLAND

MR PAUL VOLCKER played his usual commanding role on the Wall Street stage last week, setting the stock market ablaze with an optimistic speech on the inflation outlook. The response from the market, which soared to the highest levels since early November, shows just how nervous it has been over the past six weeks or so.

The significance of Mr Volcker's remarks was not in what he said but in the fact that he said it. Wall Street had been a prey to fears in the offices of the Federal Reserve that the economy was recovering more quickly than expected and that the Fed might feel unable to maintain the easier credit stance adopted before Christmas. The November unemployment figures showed strong growth in the service industries.

But Mr Volcker's speech seemed intended to allay fears of any change of heart. His suggestion that the U.S. economy may be building "a trend towards more stability of prices" was music to Wall Street ears.

The institutions, which have been sitting on their hands for some weeks past, scurried into the stock market as prices began to rise in response to Mr Volcker's words. The Dow average broke out of the vice which has been holding it, and is now challenging levels which brought the sellers out at the end of last year

The stock market is still hoping for the best of all worlds —resumed growth, helped along in the near term by lower interest rates, and no inflationary problems. Last week brought a prime rate cut from a small St Louis bank, raising expectations of a round of prime cuts from the money centre banks once their results season is out of the way. World *oil prices continued* to tremble on the brink of further falls.

The quarterly reporting season, which got under way last week with trading statements from several of the banks, could provide a test for the market's revived confidence.

IBM stock strengthened after a bout of nervousness as the market awaits the trading figures. The growth record of the computer monarch is such that only the very best news— *growth of around 10 per cent* —is now considered satisfactory from IBM. Wall Street awaits IBM's figures with special interest this time. The market for small computers is proving particularly difficult—Commodore International fell smartly after reports that it was about to meet serious price competition from Atari, now headed by Jack Tramiel, who helped build up Commodore.

Fourth-quarter results from Chemical Bank and Bank of New York, the first of the money centre banks to report, pleased the market. But the sector may be chastened by reports from Washington that a Reagan Administration working party has suggested that the banks be obliged to put their financial houses in order. Market analysts have long questioned how long it will be before Congress loses patience with the banking industry.

Industrial stocks were given a good lead from the motor stocks, which moved up strongly ahead as the results season drew near.

Ford opened the batting with an increased quarterly payout. Since Ford may have been held back slightly in the final quarter by its plans to introduce new models, the decision to increase the dividend confirms the optimistic mood in Detroit.

But some people will not even accept good news, and so it proved for airline stocks. After rising strongly as falling fuel prices appeared to boost earnings daily, the stocks turned tail after fears of price cutting were reawakened. North-eastern International Airlines filed for protection under Chapter 11 of the Federal bankruptcy code, prompting one analyst to comment grimly, "this is the 13th Chapter 11 filing by an airline since deregulation — and there will be others." Frontier Airlines seemed to be the nearest, after losses increased in the final quarter of the year.

But for drama, there was, as usual nothing to compete with the oil sector. Occidental Petroleum and Diamond Shamrock created a new record for the shortest merger discussions held, and gave the market a turbulent day's trading and a fresh batch of takeover possibilities to worry over.

Wall Street never liked the $3.3bn merger plan, but the arbitrageurs like the outcome a good deal less. Having already taken heavy punishment when the Mesa-Phillips bid was *abandoned, the arbitrage firms* found themselves stuck with about 9m Diamond Shamrock shares when the plan was called off right at the end of the trading day.

The street reacted with outrage, setting Diamond Shamrock up as the next bid target, and even suggesting that it would itself seek a buyer for the 9m shares. Occidental has never been the market's favourite oil company, and now the management of Diamond Shamrock *came in for its share of vituperation.*

By the end of the week, calmer counsels seemed to prevail and it was hinted that Diamond might seek acquisitions itself, and the hunt was on for likely targets. Amerada Hess and Kerr McGee were canvassed as prospects. Schlumberger, the oil-search group, traded heavily.

Nor did the market write-off the chances of another bid for Phillips Petroleum, perhaps at the same $50-a-share level of the aborted Mesa proposal.

It could be said that Wall Street has been slow to react to the effects on some corporate profits of the strength of the dollar. But a sudden uptick in pharmaceutical stocks in mid-week when the dollar weakened briefly may have been a signal, showing how the exporting company stocks would rise dramatically if the dollar changed direction.

If Mr Volcker's words have brightened the outlook for stocks over the medium term, the next month could still provide some shocks as corporate America reports on the final quarter of 1984. The slower pace of the economy was responsible for the setback in the stock market to below the Dow 1,200 mark.

If, as seems likely, there are a few nasty *surprises* waiting in the wings, the market may find it hard to push higher just yet. *But if the economy is indeed* recovering well, without ringing the inflation alarm bells, then the first quarter of 1985 could be a time to remember.

MONDAY	1190.59	+5.63
TUESDAY	1191.70	+1.11
WEDNESDAY	1202.74	+11.04
THURSDAY	1223.50	+20.56
FRIDAY		

From shell to quoted company

Unlisted Securities Market

ONE OF the more arcane—but still popular—ways of getting a USM quotation was thrown into relief this week by the arrival of Bennett & Fountain, nominally a defunct Sri Lankan rubber company turned electrical wholesaler.

Rather than join the market in its own right, Bennett & Fountain arranged to be taken over by Rubber Estates of Ceylon, a former plantation operator which was nationalised by the Sri Lankan Government 10 years ago, but which still possessed its London stock exchange listing agreement from its trading days.

Rubber Estates immediately changed its name to Bennett & Fountain, applied for its long-suspended shares to be re-listed and dropped down from the full market on to the USM, thus completing a contorted manoeuvre known to the cognoscenti as a "shell" operation.

About 20 USM companies have reversed into shells on their way to the market. The main attractions of such a route are that it can save costs and time because it avoids the need to register as a public company since the shell already has public status. There is also no need to publish a prospectus, although full details still have to be issued on an Extel card.

Stephen Coleman, Bennett & *Fountain's financial director,* says the merchant bank sponsor which the company originally approached suggested that the quotation could cost as much as £250,000 and take up to a year to complete. In the event, the group's shell operation, arranged by a little-known issuing house, Cleves Investments, cost about half that and took three months.

Of course, there is no such things as a free lunch in the City. While the professional fees for arranging a shell operation appear to be low, such a move often leaves the flotation candidate with a hefty chunk of intangible assets on its balance sheet, consisting of goodwill arising on the takeover which will eventually have to be written off.

Another hidden cost arises from the fact that the trading company will invariably have to sell more of its equity to complete a merger with a shell than if it came to the market through a conventional route.

Shells often have shareholder lists containing many hundreds of small investors who stay with the company after the merger. They are only too pleased to have the moribund group into which they had ploughed their savings transformed into a more exciting investment proposition. But they can also land the flotation candidate with a problem.

Stuart Lee, finance director of President Entertainments, the restaurant group which joined the USM last June after reversing into Offin plantations, explains: "We have hundreds of people with only two or three shares." Each one of them has to be paid dividends and kept informed about the company's affairs, which can be a costly administrative burden.

Moreover, stockbroking analysts often tend to be chary about recommending such companies' shares because their accounts can be fiendishly complicated to understand in the first year or so after flotation while the shell is being digested. There is also a risk, which does not apply in Bennett & Fountain's case, that the shell might bring with it a few untidy residual trading activities which will have to be disposed of or reorganised

In practice, however, few of the USM's shell operations have been inhibited by those drawbacks. The 15 USM reverse takeovers advised by Cleves include some of the junior stock market's star players, like London and Continental Advertising, Aidcom International and FKI Electricals, all three of which have graduated to the *full list and produced share* price gains of more than 260 per cent since flotation.

The share price of President Entertainments—another Cleves client—stood at 17p towards the end of last week, 66 per cent above its placing price.

William Dawkins

Solution to USM quiz

SAD TO relate, few people seemed to be enthused by the prospect of spending Christmas puzzling over the USM quiz.

The fact that only two entrants took part, however, was more than made up for by the sterling quality of their answers. The first prize of a bottle of whisky goes to stockbrokers Hoare Govett's USM team, which scored 20½ points out of a possible top *score of 23. They actually* submitted 22½ correct answers, but lose two points because they set two of the questions.

Simon and Coates' David Cohen deserves a special mention for his original USM prospectus-style entry, which notched up 19½ points. The FT accordingly awards him a deerstalker's hat, with no implications about stagging intended.

The correct answers are as follows:

1—Their statues were made by William Morris Fine Arts.
2—The gold for the Royal wedding ring came from Clogau Gold Mines.
3— Stanley Gibbons.
*4—Bio-Isolates makes synthe*tic protein from whey.
5—Airship Industries floated off after Alan Bond took control.
6—The Body Shop International.
7—Miss World.
8—Chemical Methods Associates.
9—Fergabrook.
10—Synterials.
11—Sir James Goldsmith and John Aspinall.
12—Nimslo.
13—Clive Feigenbaum.
14—Barry Sheene.
15—Debbie Moore.
16—Aplied Botanics — pot-plants; William Sinclair — vegetable seeds; Chemical Methods — dishwashers Xyllyx—coin operated colour terminals; Aaronite — fire proof sprays; Hadland Holdings — high speed cameras; Dunton Group — bricks.
17—American Communications Industries.
18—Michael Peters' pop-up.
19—Tom Wilmot.
20—*Brian* Winterflood.
21—John Asprey.
22—Ecobric.
23—Bush Radio and Zygal Dynamics.

YOUR SAVINGS AND INVESTMENTS

A remittance man's tale of woe

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

I am what you may call a remittance man in that my earnings are commissions sent from abroad to this country into my bank account. The transferors are sending these remittances with "all charges payable by the transferor," that is to say that I receive the remitted amount without reduction.

Or at least I used to. Apparently, after taking over its international subsidiary, the bank advised all its branches, but not its customers, that a commission should be deducted from all remittances received and debited to the recipient, ie the transferee. The commission is a flat rate one, being £2.50.

In my opinion this should be regarded, legally speaking, as a breach of contract in view of the fact that the transfers clearly state that all charges are to be for their account. What do you think?

It looks as if the charge being made is a charge by the bank as against you in your capacity of a customer of the bank. This cannot be affected by the terms of your contract with the person remitting the money. Your remedy is to use another channel to remit the money to this country, if you can procure anyone to operate at a lower rate, or none.

Change in the bill

Three friends and I attended a concert in a city hall recently, the tickets being purchased from the that one of the artists had been were listed in a newspaper advertisement, on a handbill, and on the tickets. When we attended the concert, however, the printed programme showed that one of the artist's had been changed and the original artist was to appear the following evening.

This caused great disappointment to us. I considered trying to obtain a refund on the cost of our tickets by taking the council to court under *Trade Descriptions Act Section 2.1 (C)*. (Composition of the concert was not as stated), but found that the council would have a statutory defence under section 24 by citing "X *Promotions*" (who presented the concert) as having supplied false information.

Sueing "X Promotions" appears to be pointless as I did not purchase the tickets from them. Could you suggest another course of action?

Apart from the possibility that the council may have reserved the right to change the composition of the performance in conditions set out or referred to on the tickets, it may well be that there is an implied term that a change of artist is permissible if not caused by the council itself. Since a suit against the council would in any event be likely to cost you more han the cost of the tickets, we think that you might be better off making representations to the council and persuading them to refund the cost of the tickets or else to provide free tickets to a future performance.

Inspecting the deeds

Next to my property is a plot of land 200 ft x 68 ft.

A solicitor has written to me asking if I would supply him with copies of my deeds, he states his client has misled him. The solicitor states in his letter that his client is the possessional owner, granted 1976.

Would I be in any danger if I supplied copies of my deeds and would it be against the law?

Why would they require these deeds?

Squatters rights have never been carried out ie not totally enclosed or a locked gate. (If he is a squatter.)

1—It would not be against the law to let a neighbouring occupier or his solicitor inspect your deeds. The only danger lies in the possibility that your deeds show your land as being less extensive than the land which you actually occupy.

2—The object seems to be, as you surmise, to see if the occupier can set about claiming "squatters rights" ie a title by adverse possession over a period of at least 12 years.

3—It seems that no rights will have accrued to the occupier as yet (ie if he only commenced his occupation in 1976) even if his possession was adverse enough to found a claim.

If you do not yourself claim title to the land which is being occupied by the claimant there is no reason why you should not inform his solicitor that you are willing to let him inspect your deeds, or to supply copies against his undertaking to pay your copying and postage costs. You should NOT admit any claim to a possessory title unless you are quite sure that none of the land which you think is yours is involved.

Relief over endowments

I have a sneaking suspicion that some information went missing in your answer of December 8 to the endowment policies query. Am I right?

Unfortunately you are correct. If your total income, before personal reliefs (by virtue of section 34 (3) of the Finance Act 1971) falls below £9,000, you will lose the 15 per cent relief on the difference between the combined premiums and £1,500. If it falls below six-times-the-combined premiums, but stays above £9,000, you will lose the 15 per cent relief on the difference between the combined premiums and one-sixth of your income. The loss of relief may be put into effect either by clawback (in assessments and PAYE codings) or by requiring you to pay some premiums in full (whichever premiums are most convenient, regardless of the dates of the policies).

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Banks set to tax interest

David Lascelles urges savers to plan ways of avoiding CRT payments

THE DAY when banks must start deducting tax from the interest they pay their depositors is still three months away, but people should be making plans to deal with it.

Some banks have begun to offer advice, but the trouble is that they are not entirely disinterested: they want people to leave their money with them, so the explanatory brochures they are sending out with their statements are bound to look on the bright side.

The change was foreshadowed in the last Budget when the Chancellor announced that the composite rate tax (CRT) scheme under which building societies already pay interest net of tax would be extended to banks from April 5 1985. This means that banks must deduct CRT, which is currently 25.25 per cent, though the taxpayer is deemed to have paid the equivalent of the basic rate of 30 per cent.

CRT is deducted from all payments of interest to private depositors, whether they are taxpayers or not. Since it cannot be reclaimed, non-taxpayers must act soon if they want to avoid the tax. Some banks, however, will be paying higher interest on accounts popular with non-taxpayers (children and the retired) to keep their custom.

Taxpayers have to weigh the position carefully, and should ask their banks exactly how they intend to manage the transition. They will not necessarily all be doing it the same way.

The key point is whether your bank intends to make a final gross payment before April 5. The established principle is that tax is payable on interest when it is received, not when it is accrued. So any interest paid after April 5 will have CRT deducted from it even though it might have been earned before that date.

Since most deposit accounts have half-yearly payments, many will be accruing interest that will be payable after April 5. Only two of the big banks have said in any detail what they intend to do. NatWest has indicated that it might make special arrangements for a final gross payment to non-taxpayers. Midland says it does not intend to "break" deposits. So taxpaying depositors at both these banks should move their money elsewhere as soon as possible if they want to avoid CRT.

All Lloyds has said is that its arrangements (which will be announced later this month) will offer "maximum flexibility" to its customers depending on their circumstances. There may also be new products. Barclays will make a final payment of gross interest on April 4. The TSB, the Co-op, and the Scottish and Northern Irish banks also will be making announcements.

Though CRT has the disadvantage of depriving the saver of the use of his money until tax time, it is not an unmitigated evil for taxpayers. For one thing, CRT is lower than basic rate. There is a net gain of 4.75p in the pound for taxpayers.

It will not be easy to escape CRT after April 5. But National Savings will continue to pay interest gross (and help fund the Government debt).

The greatest disadvantage in leaving money in banks is that they are likely to pay lower interest than building societies, without the previous attraction of paying it gross.

HOW BANKS WILL QUOTE INTEREST RATES AFTER APRIL 5

RATE	DESCRIPTION	CALCULATION	EXAMPLE
NET RATE	Rate received by most personal customers; basic rate tax accounted for by the bank	Gross Rate x (100-25.25)	7.47%
GROSS EQUIVALENT	What the net interest rate is worth to a basic rate tax payer; the gross rate they would have to earn to receive the net rate	Net Rate x 100 / 70	10.67%
GROSS RATE	Rate received by exempt customers such as Limited Companies, non-residents, churches and clubs: no tax deducted by the bank	Net Rate x 100 / 100-25.25	10.00%

Source: Midland Bank

The dollar still calls the tune

MINING

GEORGE MILLING-STANLEY

THE SOUTH African gold mines in the Consolidated Gold Fields group heralded the start of another season of quarterly reports from the industry this week. The continued weakness of the South African rand against the U.S. dollar once again gave rise to best-ever gold prices in terms of the domestic currency, leading to record profits in rands.

The seven mines in the group produced aggregate net profits of R221.89m (£92.5m) for the three months to December 31, the best quarterly result ever and a rise of almost a quarter on the performance for the preceding three months.

This was in part due to the fact that all the mines chose not to indulge in hedging the value of their production through the forward sales mechanism, and thus took full advantage of the rising gold price in rands.

The mines' housekeeping must also have been excellent, with the rise in working costs limited to just 1 per cent over the previous quarter, in spite of a South African inflation rate of around 14 per cent a year ago. This could have been expected to give rise to an increase of 3 per cent or more in the three months.

All this was achieved in spite of a fall of nearly 700 kilogrammes, or 22,400 ounces, in gold output, a consequence of mining ores of lower grades in response to the higher gold price.

With the gold price having moved above R20,000 per kilogramme since the beginning of this year, against the average over the last quarter of R19,439, the immediate future seems set fair for the gold mines, with good prospects of higher profits to come, provided they can continue to limit the rise in working costs.

Whether this might lead to higher dividends remains debatable, as capital spending seems to be on the rise at most of the operations.

The giant Driefontein Consolidated complex, for example, boosted its spending by over half to R30.5m in the quarter, and this may well put certain constraints on the dividend-paying capacity of some of the mines.

Never the less, shareholders can look forward to income which is likely to be at least maintained — in rand terms, that is. And while the rand may still be worth the same in the pocket of a South African shareholder, in spite of the big depreciation against the dollar and other currencies, the same cannot be said for shareholders outside the country.

They will, in the fulness of time, be receiving their dividend payments in their own currencies, and even increased dividends in rands are quite likely to result in smaller receipts in dollars or sterling.

There are thus no grounds for any euphoria in the good showing from the mines in the Gold Fields group—unless of course you happen to be a South African resident—and that is the reason for the distinctly muted response of the London gold share market to the figures.

There are, in addition, one or two other shadows clouding the future of the South African gold mining industry. In response to the drought of the last few years, the mines have succeeded in reducing their water consumption by anything up to a third, and there is presumably precious little scope for any further falls.

However, they might well be called upon to make further efforts in this direction at any time, as the seasonal rains seem this time to have petered out after a fairly wet October and November. The important Vaal Dam, from which many of the mines draw their water for both processing ore and cooling underground workings, is now reckoned to be at less than a fifth of normal capacity.

Further, the chairman of the gold mines in the Evander area belonging to the Gencor group sounded a grim warning in their recent annual reports to the effect that, while the weakness of the rand against the dollar was working to their advantage in the short term, the country's economy may soon begin to feel the effects of imported inflation.

With a current inflation rate in double figures, this could have dire consequences for an economy which is already deep in the throes of recession. At the very least, any significant rise in the domestic inflation rate would lead to sharply higher wage claims, and wages have traditionally made up by far the largest single component of mine working costs.

The situation was somewhat similar with this week's release of the latest figure for diamond sales by De Beers Consolidated Mines' London-based Central Selling Organisation.

The CSO, which handles the marketing of something over four-fifths of the world's output of rough (uncut) diamonds, announced that sales fell during the second half of 1984 to $668m, against $945m during the opening six months of the year.

This gave a total for the year of $1.6bn, not materially changed from the 1983 level.

However, the 42 per cent depreciation of the rand against the dollar last year meant that the picture was completely different in local currrency terms.

Diamond sales in rands were maintained during the second half of the year at R1.13bn, giving a total for the year of R2.3bn, compared with 1983's figure of R1.77bn.

These figures have important implications for De Beers' profits, which could well rise in the year to December. Nevertheless, the brokers' circulars on the subject were pretty well unanimous, with recommendations ranging from "Hold," through "Wait to buy" to "Avoid."

This is the right advice from a non-South African point of view, as, even if the De Beers directors are tempted by better rand profits to raise the level of dividends a little, this is unlikely to show through in the payments once they are translated from the depreciated rands into dollars or pounds.

The rand should at present be regarded as a sort of "funny money." In South Africa, it will still pay the bills, so the mining companies will be all right, but foreign shareholders could soon be feeling the pinch.

SAVINGS OFFERS

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YOUR SAVINGS AND INVESTMENTS

Clive Wolman explains how forestry can offer long-term growth

Evergreen prospects for secure investment

AS THE tax year draws to a close, those who have succeeded in pulling in large incomes turn their attention to ways of keeping more of it out of the hands of the taxman.

In a bid to tap the savings of the top-rate taxpayer before the year-end on April 5, the Colgrave financial services group has launched a scheme for investment in forestry. The scheme allows the investor to claim tax relief at his or her top marginal rate (up to 60 per cent) on an investment in unplanted land of about £25,000.

The total investment required in the first year is much greater than this, probably no less than £60,000. But the Colgrave Group will arrange a loan for you for about half that amount — and you can obtain tax relief on the interest.

Extraction of thinnings in the Solway Forest, Scotland

Trevor Humphries

Investment in forestry land has proved highly profitable over the last eight years, much more so than investment in other types of property (see graph). Timber prices have however, risen by slightly less than the rate of inflation. Since September, agents report that land prices have taken off again in southern England, although Scotland prices are more stagnant and land is more readily available.

Judging by past price performance, investment in forestry is a much less risky venture than investment in a small unquoted company using the tax shelter provided by the Government's Business Expansion Scheme. The immediate tax advantage of investment in forestry is, however, more limited as only the revenue expenditure on the site (planting costs, day-to-day management and road repairs) can be offset against tax. The cost of the land cannot.

However, when you sell your land, capital gains tax is payable only on the element of the gain attributable to the land and not on the timber. Woodland also allows greater opportunities for long-term capital transfer tax planning as it qualifies for the 50 per cent business asset relief and for the various tax deferment concessions. A further attraction is the forestry grant payable in the second and sixth year of plantation and worth about £93 an acre.

The Colegrave scheme differs from some of the others available in that it allows the investor to take a direct stake in a relatively small parcel of land, about 100 acres. Fountain Forestry, based in Perth, occasionally offers to investors similarly small parcels of land but normally deals in larger tracts. With other schemes, in particular those run by Foestry Investment Management, you have to join a syndicate.

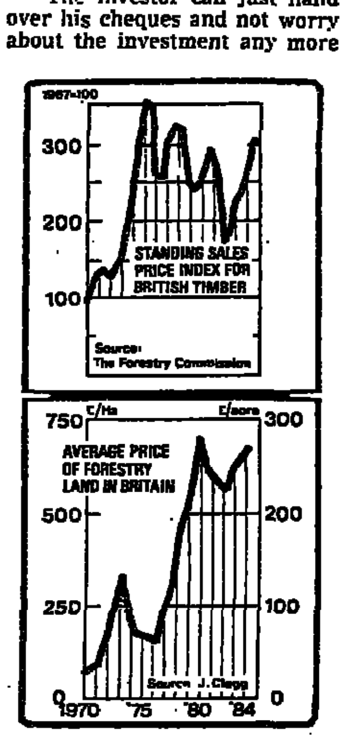
This has the advantage that you own a wider spread of land in different parts of the country on which are planted different types of trees so that all your eggs are not in one basket. Also, the management charges should be lower with larger tracts of land.

But it may be difficult to sell your share in a syndicate at a time when you need the cash. At present, FIM reports, there is a backlog of orders from investors wishing to buy shares in syndicates. Those who have bought relatively small individual plots of land may also have difficulty in selling when they choose, although it will be easier if their plot is surrounded by other woodland.

The land being offered by Colegrave is in Argyllshire. The price, at £260 an acre, is about average but the land is at a fairly high altitude, 700 to 1,200 ft, and access is difficult. About £40 an acre will have to be spent on building a road.

Colegrave managing director Robert Burton emphasises that his scheme provides a comprehensive range of services for the investor, including negotiating with the local tax inspector over the amount of expenditure incurred in each tax year.

"The investor can just hand over his cheques and not worry about the investment any more until he wants to sell," he says.



But Colegrave is charging heavily for its services and investors ought to watch more closely to check whether they are getting a fair deal. Colegrave is charging a 4.5 to 5 per cent mark-up for buying a large tract of land and breaking it up into smaller units for investors. This is in line with competitors

The real sting comes with its charges for in effect acting as brokers and supervisors over the woodland management company and over the legal, accounting and other services. The Colegrave fees come to 1.5 to 2 per cent of the total expenditure of the investor, on the land itself, but also including the revenue expenditure and other capital expenditure—for example, on roads.

Thus, for a 100-acre site which will involve about £60,000 of investment, the charges will be £900 to £1,200. According to Richard Crosbie Dawson, of FIM, its charges for a similar site and range of services would be only about £400. Fountain Forestry charges on an entirely different basis as it acts also as *the land management company*. But when you reach the bottom line, their fees also appear to be lower.

Colegrave and the other groups advise investors to wait for at least 10 years before cashing in their investment in unplanted land so that the benefits of the investment will not be dissipated by the high transaction and administrative costs.

There are, in fact, considerable tax benefits if you hold on longer. You can expect to start thinning your forest and selling the timber after 15 to 20 years. But if your activities remain on tax schedule D, which was necessary to obtain the tax relief on the expenditure in the early years, your full income will be subject to tax.

If possible, you should at this stage switch to being taxed on Schedule B which will make you liable to tax on only one-third of the rental value of the land in its original and unimproved state. In practice, your tax bill will be tiny. However, such a switch in tax schedules can be effected only after a sale of the land so the transfer of your land to your spouse may be the best solution.

Some addresses: Colegrave Group, 84 Baker Street, London W1. Economic Forestry, 1 Church Entry, Ireland Yard, London EC4. Forestry Investment Management, Barrington Farmhouse, Burford, Oxon. Fountain Forestry, Isla Road, Perth, Scotland.

Switched on thinking

George Graham shows how to retain unit trust flexibility without running into tax problems

SWITCHING between specialised unit trusts can prove more profitable than staying in a more *general fund. But there are two* main disadvantages: The capital gains tax that may arise when you sell out of one fund, and the managers' entry charge when you buy into another.

Some managers, such as Fidelity or Target, offers a discount to existing unit-holders who switch to other trusts within the same group. This lessens half the problem, but the capital gains tax liablity remains.

It was to give investors the opportunity to switch between funds without such disadvantages that the concept of the portfolio trust was devised. The idea is for the manager to offer within a single umbrella fund a number of specialised sub-*funds. Investors then choose* their portfolios from among these, with or without the help of a professional adviser, and switch when they see fit.

There are, however, important differences in the structure of the various portfolio funds on offer.

The first in the field was the Arbuthnot Portfolio Trust, an authorised unit trust with subfunds investing in the U.S., Japan, the UK and Europe. It also has a "deposit fund" investing in short dated gilts and cash equivalents for those who are pessimistic about equities and seek liquidity

As a UK trust, Arbuthnot has not so far ben able to win confirmation from the Inland Revenue that switches within the fund will not be assessed for capital gains tax. The Inland Revenue is expected to make a decision by mid-March.

Other managers who have since launched portfolio funds have chosen to base them offshore. This sidesteps the CGT threat and also permits the inclusion of money market and currency funds—forbidden to UK unit trusts—which offer more choice to the investor who wishes to stay out of equities than does Arbuthnot's deposit fund.

The first of these offshore portfolio funds is Gartmore's Capital Strategy Fund, which has drawn $82m since its launch last summer. It offers five equity funds, five currency funds and three gilt and bond funds.

The main feature is that there is no initial charge for investments in Capital Strategy. Running costs are low with annual management fees of ¾ per cent and four free switches a year.

The minimum investment is $25,000, but this will be little deterrent, as those who use the fund to avoid capital gains tax are likely to have substantially more than this invested.

Schroder Portfolio Selection has a lower minimum, although the figure of $2,000 per subfund is likely to mean a total investment of around $10,000.

But while the Schroder portfolio fund gets around the capital gains tax problem, it can scarcely be said to cut down on other cost. After an initial charge of 5 per cent, Schroders will charge a further 2½ per cent for each switch (though switches into currency sub-funds are free).

On top of this, the annual management fee is a full 1 per cent, plus 0.15 per cent for the custodians.

The latest arrival, Guinness Mahon Global Strategy Fund, was launched this week and resembles the Gartmore model much more closely than the Schroders fund.

To the geographically focussed equity subfunds offered by Gartmore and Cchroders Guinness Mahon adds the technology, leisure energy sectors as subfunds, as well as an index-linked gilts fund.

But with its front-end charge for investments under £30,000 and a flat £25 fee for each switch, the Guinness Mahon vehicle could prove nearly as expensive as Schroders for the smaller investor.

Who are these portfolio funds meant for? They will be attractive to the UK investor who wants to delay realising a capital gain because his total gains exceed the £5,600 annual allowance. But both Gartmore and Guinness Mahon pick out wealthy overseas customers and smaller self-administered pension funds as more important targets.

Because of the decisions to be made in constructing the portfolio and in switching, they will also appeal to investors whose money is run by professional adviser. But the fund have very different arrangements for dealing with professional advisers, and some very different commission structure.

Inded, Arbuthnot had to resign from the Unit Trust Association because of its decision to pay renewal commission to intermediaries, which is forbidden under UTA rules. It pays an initial commission of 1½ per cent plus marketing allowance of 1½ per cent, and renewal commission of up to 1½ per cent a year.

Guinness Mahon also expects to pay something to large intermediaries out of its own management fees, although this has not been fixed yet. Initial commission, however, must be specifically requested by the client and will come out of the investment made.

This is the approach adopted by Gartmore. It will arrange for an initial charge or an annual fee to be paid from the client's funds directly to a professional adviser, but only if requested to do so.

HOW THE PORTFOLIO TRUSTS COMPARE

Fund	Onshore/ offshore	Minimum investment	Initial charge	Switching cost	Fees
Arbuthnot	On	£1,000, with £500 per subfund	3½%	1 free a year then £15	¾% ½% on deposit fund
Gartmore	Off	$25,000	Nil	4 free a year then at discretion	¾% managers [illegible] custodians
Guinness Mahon	Off	£1,000 per subfund	Over £30,000 nil, under 2½% (1% in offer period)	£25	¾% managers (½% on currency funds) ½% custodians
Schroders	Off	$2,000 per subfund	5% (waived on currency funds)	2½% (free into currency funds)	1% managers 0.1-0.15% custodians

YOUR SAVINGS AND INVESTMENTS

The diary of a small investor: **Arthur Carter** reveals the secrets of his portfolio

Pros and cons of the 'efficient market theory'

THIS is the last of four weekly articles in a series by *Mr Arthur Carter*, following the nine published in the Financial Times at intervals from 1977 to 1980, in which he traced the growth of his portfolio, based on the purchase of depressed high-yielding shares for recovery from some £3,000 in the early fifties to October 25 1977, when its *market value was* £113,000.

I have described in my preceding articles how I persisted through the worst years of the recession, *despite consistently* poor results, in my policy of averaging as a company's share price slumped. *I had accumulated* 28,000 John Brown shares in this way by January 10 1983 when they stood at 22p. *In February* I made two more purchases, each of 5,000 shares, at 22p and 18p, and three more in autumn 1983 at 17p, 16½p and 15p, bringing our total holding to 50,000 at an average cost of 23½p.

One usually *has to sell—often* reluctantly—in order to buy, and I sold our 51,000 Carrington-Viyella shares on February 8 at 10½p, having spurned a telephone appeal from the Vantona camp urging last minute acceptance of its 1-for-11 offer. I said I had confidently expected the 1-for-6 foreshadowed in the financial press and did not take kindly to the half-price offer.

Dupont, in which I had acquired 12,000 shares in 1980-1981, had *like BPC warned there* would be no dividends for three years, and when its price re*covered from 10 to 17p I sold* out in March 1983. As with Carrington-Viyella I incurred a *small loss, in each case mini*mised by my having doubled up at rock bottom. In February, *too, I made a disastrous foray* into the now defunct Bambers Stores, buying 5,000 at 12½p *and another 5,000 at 13p* in August 1983, the shares having risen in between to 27p.

The tide had, however, now turned with a vengeance. By March 20 1984, with the FT Index at 897 I had a small paper loss on John Brown at 21p and *also on 85,000 Borthwick (3,000 from my late mother's estate)* at 27p which had cost an average of 29p. *But 37,000 BSG* International, costing an average of 13p stood at 20p, 43,000 Birmid Qualcast costing an average 13p stood at 97½p; 15,000 TI costing an average 117p stood at 294p; and 17,000 Turner and Newall costing an average 31p stood at 100. Our 8,750 Dalgety shares, derived mainly from take-over of our 50,000 Spillers shares were now worth £39,400; our 30,600 Ward White shares £37,300.

Our portfolios at March 20 1984 had a market value of £356,250. Deducting cash and *shares added (some £22,000)* left £334,250, just about double the £177,320 which our port*folios were worth on June 10* 1979. So I had, after all the intervening tribulations, comfortably beaten the FT Index despite its recent metoric rise.

I had, moreover, transferred £18,000 worth of shares in 1979-1980 to a Cathedral charitable *trust to form an equity* recovery fund. Following a policy of masterly inactivity, *appropriate to its charitable* status—BPC has so far been its only sale—the fund's value by March *20 1984* had risen to £31,000.

In its editorial of June 2 1984 on inefficient markets, the Financial Times referred to the "efficient market theory" which "states very simply that everything known about anything is already discounted in the present price of securities. It follows, therefore, that it is impos*sible for the individual investor* or investment manager to beat the market unless he has inside *information, or very good* luck."

A feature article in the same issue reports the views of David Damant, a leading advocate of this theory and now a partner in stockbrokers Quilter Goodison. "*In recent years*," said the reporter, "Damant has toned down his advocacy of the view that the stock market is priced so efficiently that it is difficult if not impossible to beat except with a run of luck." Nevertheless, the statistical data *is now thorough enough* to prove that "few fund managers have consistently beaten the stock market index."

In a lively Financial Times correspondence in spring 1977 following my first five articles, tracing the growth of my portfolio to £45,000, Professor Glass of the City University, wrote that by using security analysis and a trading rule I had handsomely outperformed the market, and thereby disproved the "efficient market theory."

Damant, then with Investment Research of Cambridge, *replied that "a example is not* a valid proof: somebody nearly always does well, simply by chance." In any event "A private investor is able to take some very considerable risks *with his money*."

In my seventh article in 1977 I suggested that the performance of depressed high-yielding shares *as a class* could be exhaustively checked against market indices to test the hypothesis of an efficient stock market. I gave the results of statistical researches by a friend and collaborator which indicated that the market undervalues this class of shares.

"I agree with the managing director of Schlesinger Investment Management Services, who wrote in 1977 that "Mr Carter's experience in no way undermines the validity of the efficient market concept *when applied to the major market capitalisation stocks as a group*, *but that as far* as 'recovery' funds are concerned the evidence clearly supports the view *that the market does not cor*rectly price 'riskier' securities."

Short-term benefits in building societies

BY MARGARET HUGHES

INVESTORS WHO made a handsome profit *by selling their* British Telecom shares or have yet to reinvest the surplus funds which they withdrew from their building society accounts in the hope of getting more than their final allocation will be pondering the best deals now on offer from societies before putting their money back in.

Building societies continue to offer a better return, especially over the shorter term, than *the banks and National Savings.* Since the withdrawal of the 28th issue National Savings Certificates have lost the competitive edge to building societies.

The banks have been sharpening up a bit ahead of the introduction of composite rate tax on their deposit accounts when they will have to deduct interest at source. But they still have a *long way to go to catch* up with the societies.

Investors are not being wooed quite so actively as they were by societies a few months ago. But there is still a need to shop around. Some societies cut their rates by more than others —1.55 percentage points against 0.5 percentage points—and some have still to lower their rates.

The seven - day notice accounts, many of which now offer instant access without penalty on larger balances, remain the most popular. The top five societies now pay 8 per cent net of standard rate tax, equivalent to a gross rate of 11.43 per cent. But their accounts vary in terms of the minimum balance required to start and *the size of the balance which* qualifies for instant access without interest penalty.

Nationwide requires a mini*mum balance of only £200.* Abbey £250 compared with £500 for the others. Abbey is the best in terms of instant access, requiring a balance of only £500 to be left in the account as opposed to £10,000 by the others.

Best deal among the large societies remains Leeds Permanent's Liquid Gold account. *It pays the 8.25 per cent on* balances of £2,500 and over and gives instant access without interest penalty provided *£2,500 is* kept in the account. It pays 8.0 per cent on balances of between £500 and £2,499 but again provides instant access provided the minimum £500 balance is retained. Cheltenham and Gloucester with its *Gold Account pays the same* and gives the same instant access on a minimum balance of £1,000. Britannia goes one better paying 8.3 per cent on a minimum balance of only £500 but only allows instant access on balances of over £5,000.

For investors who want a cheque book account Abbey National pays 8 per cent on balances of £2,500 and over and Alliance 8.5 per cent on its Banksave account.

But if investors are prepared to put money into some of the *less well known societies there* are better returns on offer. The accompanying table shows the better buys listed by *Building* Society Choice.

And those willing to lock away their money for longer periods will find that the latest round of changes has once again made some of the 60 and 90 day accounts attractive.

Society/Account	Notice period	Minimum investment £	Rate of interest net of standard rate tax %
Aid to Thrift	7 days	1	8.60
Wessex Ordinary Share	7 days	1	8.60
North East Globe	7 days	500	8.85
Hendon 7-day	7 days	500	8.75
Peckham Super Shares	nil	2,000	9.00
Middleton Master Plan	nil	10,000	9.50*
St Pancras High Yield Shs.	14 days	1,000	8.60
North East Globe	14 days	2,000	9.20
Hendon 1-month	28 days	500	9.00†
Stanley Super Thirty	28 days	1,000	8.80
Easthourne Mutual Monthly	28 days	1,000	8.80
Beverley Big One	28 days	5,000	8.80
Penrith Ullswater Bond	90 days	500	9.15
Hendon 3-month	90 days	1,000	9.25
Hemel Hempstead 90-day	90 days	1,000	9.25
London Permanent 90-day	90 days	1,000	9.25
Leak United 3-month	90 days	1,000	9.80‡
Manchester Gold	*2 months*	1,000	10.25§

* 9.00 per cent as quarterly income. † 8.85 per cent as monthly income on minimum investment of £1,000. ‡ Old rate being held until March 1. § Old rate being held until February.

The maximum gain on a widow's mite

THE DEATH of a husband is a *traumatic event for any wife.* As Benjamin Franklin noted nearly 200 years ago, "in this world *nothing can be said to be* certain, except death and taxes." The widow must cope with both.

Everyone is entitled to a certain amount of tax-free income. The amount is made up of a number of "personal allowances" which depend upon individual circumstances. The allowances for the current tax year are used here, although the Chancellor will almost certainly increase them for the next year by at least 5 per cent. In the year *of her husband's* death, a widow may be entitled to a larger tax free amount than most tax*payers*.

A wife's income is usually treated as that of her husband and he is responsible for the tax on their aggregated income. He married man's allowance of £3,155 and, if his wife is working, to a wife's earned income allowance of up to £2,005. A higher married man's allowance (maximum £3,955) is given *instead of the basic allowance* if either the husband or his wife is aged 65 or over at any time in the tax year and their income for year does not exceed £8,100. This higher age allowance is reduced by £2 for every £3 of income in excess of that limit until it reaches the basic £3,155.

When he dies, tax on the couple's aggregated income to that date is the husband's liability and must be paid from his estate by his personal repre*sentatives. In working out that* liability, a full year's allowances are taken into account, at whatever stage of the year he died.

From her husband's death, the widow becomes responsible for the tax on her own income. She is, however entitled to a full single person's allowance (£2,005 minimum and up to £2,490 if she is 65 or over) for whatever remains of the year. In the year of her husband's death and in most cases in the follow*ing year as well, she is also* entitled to a widow's bereavement allowance of £1,150.

If she is still responsible financially for any children who at the beginning of the tax year are either under 16, or undergoing certain full time *education, she may also* be entitled to a single parent's allowance of £1,150.

Income will continue to accrue after the husband's death on any of his investments. This will form part of his estate and his personal representatives are liable to tax at the basic rate (30 per cent) on that income.

If there is a mortgage outstanding in the husband's name on the family home, interest paid by the personal representatives continues to qualify for tax relief, and may be dealt with under the Miras system, provided the widow continues to occupy it as her home.

For her allowances to be of any value, the widow must of course receive taxable income against which they can be set. They cannot be used against her income which arises prior to her husband's death and which is treated as his income. Thereafter, however, any earnings or income from her investments or her share of income from her husband's estate will count.

It is important that the widow conduct an early review of her financial position: to identify her sources of income and capital, to ascertain the debts and liabilities with which she may be faced and to identify any employment - related benefits, such as a company car, health insurance or a beneficial loan, which she loses. There may be *fairly substantial* insurance sums to be invested, but immediate complex financial arrangements *should* usually be avoided; straightforward investments should be sought. Bank and building society deposits are obviously among the easiest to make. However, interest earned on building society deposits (and, after April 5 1985, on most bank deposits) is paid net of tax which cannot be reclaimed. Such income cannot, therefore, be used to take advantage of the personal allowances to which she is entitled. National Savings income or deposit bonds, investment accounts or gilts bought on the *Post Office Register* (but not National Savings Certificates) all pay taxable interest gross and may provide an appropriate interim investment.

The Inland Revenue publishes a free short leaflet on income tax and widows (IR23) which covers, in particular, the information that a newly widowed person should give to the Inland Revenue following her husband's death.

Malcolm Gammie is Director of national tax services at Thomson McLintock/KMG.

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PROPERTY / GARDENING

Agents fight against a sluggish market

BY JUNE FIELD

THE BAD weather has meant a fairly quiet week for many estate agents anxious to get under way again after the holidays. It has been a time for pruning the registers, both of properties and applicants, and taking positive action to beat what many constantly refer to as "the alternative forces threatening our territory."

Advice on current pricing is variable. Some agents were suggesting that vendors revised asking figures downwards, while others advised "hold firm, the market must revive." In the country particularly, there is a shortage of fresh property in really first class condition.

In the north-west, Reed Rains' *Property Guide*, covering Chester, North Wales, Cheshire, Greater Manchester, Derbyshire and Staffordshire, aims to give buyers the sort of basic background information one needs in a strange area. It lists local and county authorities, electricity, gas and water boards, plus rateable values, where to apply for a telephone, and tables for repayment and endowment mortgages for loans from £15,000 to £30,000.

For instance, in the Biddulph area a two-bedroom house in Brook Street is £9,950, and rates are £157.7p in the £. In Disley, where renovated stone cottages overlooking the river are from £23,000, rates are £169.53p in the £. In Greater Manchester the figure rises to £243 in the £, and grander houses around Cheadle are from £120,000 to £200,000.

In West Sussex, Derek Whittaker, with offices in the seaside towns of Rustington, Littlehampton and Worthing, has just sent out a personal note pointing out that "a fleet of eight saloon cars are available to take anyone to view." He emphasises that he does not believe that owners should be expected to show people round their homes.

The firm's latest property booklet (from Derek Whittaker, 85 High Street, Rustington, Sussex), details sea-front maisonettes from £28,700, and bungalows in the villages of Ferring and Angmering from £59,500.

To help speed up sales, John Crosthwaite-Eyre, partner in Fox and Sons', Fordingbridge, Hampshire office, is actively promoting the idea of a draft contract and an independent survey being offered as part of the sale-package of a property. This is presented to a serious enquirer along with the particulars and photographs.

Mr Crosthwaite-Eyre is not having any problems persuading vendors to get their solicitors to obtain the deeds from the bank or building society, to take up local searches, and prepare the standard "Inquiries before Contract" form. But he has to admit that the prospect of having a survey done has met with enormous resistance from owners whose immediate reaction is panic — not over the cost, but at what a report might disclose.

"Yet a survey is one of the key elements in selling, particularly on a property of a certain age. What an owner cannot seem to comprehend is that it is far better for a buyer to know what to expect. Most seekers of old property are prepared to expend some "aggravation" or "risk" money. What they do not like is the uncertainty of not knowing how much extra they are in for. And this is why, after an unsatisfactory survey they go cold on a place they were originally very keen on.

As an example, he quotes the case of a fine 17th century manor. A recent survey (cost to the vendor £400), revealed that it was "a good house" but some extensive defects would need remedying. A local builder estimated £20,000 to put the place right. This was allowed for in a realistic selling price of £75,000, and three would-be buyers were attracted.

Sorting out most of the warts and worries beforehand means that contracts should be able to be exchanged in half the usual time. It is also expected that prospective purchasers will have done their homework, and know that they are financially able to proceed. The long drawn-out subject-to-contract system whereby both purchaser and vendor can change their mind, is obviously overdue for reform.

Sales fall through for a number of reasons of course, *not only for a bad survey*. Planning problems are another factor to consider.

MP Sir Brandon Rhys Williams' Miskin Manor, near Llantrisant, MidGlamorgan, was on offer last year at £500,000 to a consortium of local people who wanted it for a private school. But there were planning difficulties, so now the handsome listed house with existing outline planning permission for a 120-bedroom motel and a leisure complex in the 31 acres, is back on the market again on offers in excess of £275,000. Joint agents Knight Frank and Rutley, and Cooke and Arkwright, say that what is now a very realistic pdice is attracting considerable interest.

Longer chains of sales, and longer sales periods have increased the likelihood of abortive sales, agress Roger Pearson, senior partner in Pearsons. "The traditional fall through rate of one in five or one in six has risen to as high as one in three." Fox and Sons' Fordingbridge office currently *has a chain of six sales* dependent one upon the other, in a price range from £30,000 to £70,000. They do not feel that persuading anyone to take one a bridging loan is the answer.

Fox's, which on average charges 2 per cent commission in the Sew Forest area, observe that if it could ask a fee for the work involved in every house it took on, whether it sold or not, the commission could be halved.

Miskin Manor, near Llantrisant, Mid-Glamorgan: Seeking offers in excess of £275,000

Burney House, Westhumble, Surrey, built on the site of a cottage once lived in by author Fanny Burney, and with the old beech tre under which she is said to have written her diaries. Sold by the Guildford office of Hampton & Sons for close to the £200,000 asking price

Time to bleach the purple prose

THE *quality of agents' property* particulars have come under fire in Which? magazine. It thinks the time has come for a tightening up of the purple prose, and more accurate descriptions and measurements. One consumer had three sets of details from different agents on the same property. Two gave the size of the living-room as 21' x 25', while a third had narrowed it down to 21' x 16'.

The dangers of badly photographed details were highlighted in the picture of a 1930s family home which reproduced as if there was open countryside behind it. In fact, the house was dominated by a large office block.

***Putting some teeth into the* law about the particulars of a house would be a welcome addition to the Government's current legislation, says Which? To this end the Consumers' Association will be putting forward this proposal for a Private Member's Bill in the hope that it will be taken up h yan MP.**

One cannot help wondering whether we are not getting too much legislation in the house-buying and selling sector, particularly over things that could be regulated by commonsense and co-operation. Actually checking details with the vendor is a god starting point, and in my experience very rarely carried out.

Arthur Hellyer keeps an eye on the compost heap

Nervous breakdowns

A READER asks whether it is safe to put on to the compost heap grass cuttings from a lawn that has been treated with selective weed killer. As, during these past few weeks, have been spreading compost round the garden from just such a heap the answer must be a qualified yes. It depends, on how old the compost is and what it is used on. All these herbicides break down in time and become harmless and so the danger, if any, is greater when the heap is very young. Even so the residual amount of herbivide in the grass is so small that, even when freshly cut, the mowings offer no threat to most plants.

But there are exceptions, the occasional very sensitive plant that can be affected by miniscule quantities of some chemicals. I have see na crop of tomatoes under glass that looked as if it had been badly attacked by one of the leaf distorting viruses. It was suffering from the effects of composted straw used in preparing the beds.

The cereal crop from which the straw came had evidently been sprayed at a very early stage with a selective herbicide to clear it of germinating weeks and sufficient had remained all those months, or even probably more than a year, to damage the tomatoes in the enclosed atmosphere of the glasshouse.

So there is some risk in putting *herbicide* contaminated mowings on the compost heap and my advice is to keep such compost strictly for use outdoors on plants such as shrubs and roses that are not normally ultra sensitive to such chemicals.

There is another wholly physical drawback to compost made from grass cuttings. It tends to be soggy. There is too much moisture in the raw material and not enough fibre to give it an ideal spongey texture but this can be overcome by mixinñ it, when building the compost heap, with other coarser material. My own gets mixed with all the leaves raked off the paths and lawn, mainly oak and elm which are ideal, and there is nothing wrong with the end product which breaks up and spreads well.

Unlike animal manure, which introduces new ingredients, compost made from material entirely collected in the garden adds little in the way of chemicals that were not there already. If there was clover, pea or bean haulm or other legumes in the raw material there will be extra nitrogen in the compost since these plants are all capable, thanks to a useful alliance with bacteria, of fixing free nitrogen from the air.

In all, vegetable material there will be carbon, but for the most part compost is returning to the soil in different form to what was already there. A soil deficient in iron, magnesium, manganese or boron, lack of any of which can cause serious symptoms of distress, will not become any less deficient even by years of treatment with home grown compost.

This drawback can be overcome by importing compositing materials from non-deficient soils and also by using animal waste but this can be smelly and attract rats. It is a great many years since I used such waste but when I did I kept a trench constantly open for it and then turn the soil over on top of it so covering it up and opening another trench for the next consignment. But this meant having a spare piece of ground that could be cultivated slowly over a period of months.

There is no better bulky dressing for the garden than animal manure, no better kind than strawy manure from stables nor any that is more likely to be available in suburban and semi-rural areas thanks to the great increase in horse riding.

Farmyard manure is so valuable on the farm that not many farmers are willing to part with it and though I am surrounded by farms I am never able to get any. Since compost is entirely inadequate in quantity for my needs, I use spent mushroom compost which is freely available from several large mushroom farms in the locality. Its price has escallated far more than could be justified by inflation but it is still a good buy and I use large quantities every year. It has slowly transformed my soil from a very difficult clay into quite a pleasant loam.

I am constantly warned that mushroom compost is highly alkaline and so is poison to my rhododendrons and camellias. They do not seem to understand, go on growing cheerfully and for the most part look delightfully green. When I do find yellow growth it is usually because I have been careless in the use of wood ashes, of which I have plenty. They are alkaline both because of the potassium and the calcium they contain and so one has to be careful where, and how freely, they are scattered.

But the mushroom compost that I buy appears harmless and several attempts I have made to check its reaction seem to show that it is neutral or even slightly acid. I do not know whether my suppliers prepare their compost in some special way or whether it is just that any chalk they use for capping the beds gets neutralised by the acids formed in the compost. What I do suggest is that, since simple testing kits can be purchased at most garden centres, it is worth buying one to check any composts you may be intending to use in the garden.

TRAVEL/MOTORING

Stuart Marshall advocates much wider use of defensive driving skills

Braking to end motorway carnage

HOW CAN multiple accidents on motorways, like the horrific pre Christmas pile-up on the M25 in Surrey, be prevented? Not, I fear, by passing more laws but only by a change of attitude on the part of road-users.

Lowering the overall speed limit is *emphatically not* the answer. Speed restrictions are blunt instruments and cannot possibly take account of local conditions. A blanket limit that may seem unjustifiably low in dry, clear weather may be grossly excessive in fog, snow or heavy rain.

Making observance of motorway hazard warning signals compulsory will be helpful, but can't be a cure-all. They are—as Institute of Advanced Motorists' chief examiner Ted Clements pointed out on the day of the M25 disaster—too far apart and often are left on when there is no obvious hazard. (He should know. He is a former police officer with long experience of traffic patrol duties.)

The centraly-controlled signals that spell out the nature of the hazard and recommend a maximum speed are more effective, but no kind of warning signal can shift the responsibility for safe driving from the man or woman behind the steering wheel.

The great majority of accidents, from minor scrapes in slow-moving traffic to the carnage of a multiple motorway shunt, are caused by human factors like inattention, impatience, aggressiveness and exhibtionism. All of which is blindingly obvious—or should be—but is constantly overlooked.

The presence of fog is not an excuse for an accident but a reason for reducing speed to avoid one. The same can be said of snow, surface water, black ice or anything else, including cow muck or fallen leaves on country roads, that reduces tyre grip.

How often one hears "But the car suddenly went into a skid" as the explanation for an accident, as though the driver could have done onthing ot anticipate the loss of adhesion?

For me, the really bloodcurdling aspect of the M25 disaster was thta it took place over a six-minute period. During this time, cars and lorries that clearly were being driven too fast in the circumstances simply ran into the wreckage, or into the backs of other vehicles that had managed to stop safely.

Will we ever really know how many victims of a multiple mtorway shunt were occupants of cars that had managed to stop safely, only to be struck from behind by a heavy lorry and smashed into the wreckage up front? I doubt it. But I know on thing. If ever I found myself *in this situation, I hope I would* have the wit ot leap out of my car and run for my life up the road to get in front of the crash. And, if I saw a pile-up some hundreds of yards ahead, to get over to the hard shoulder and, if necessary, climb up the embankment.

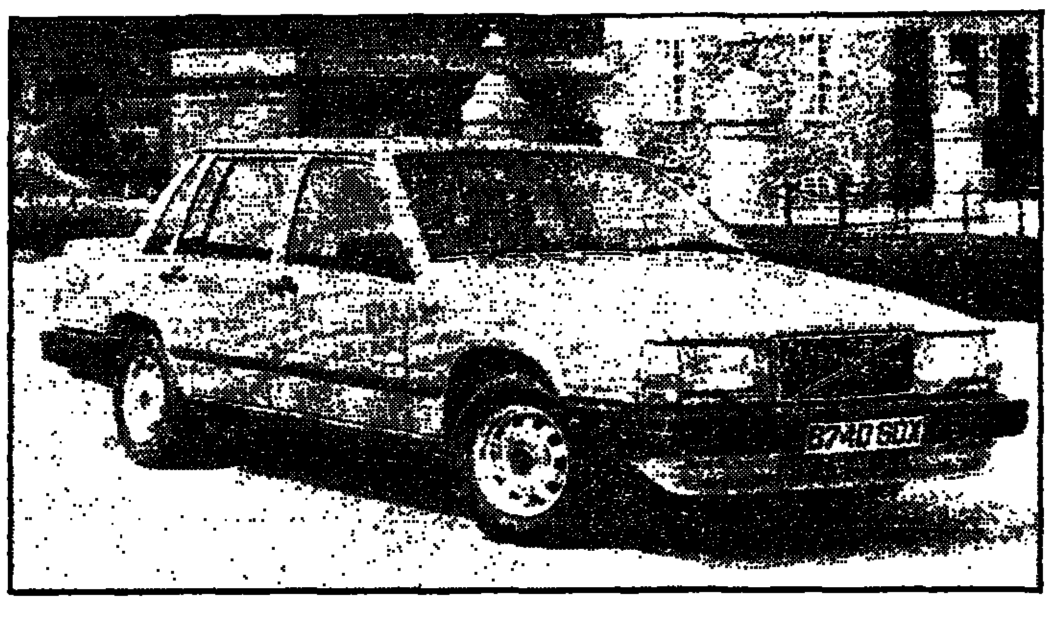
Long term, the only way to reduce road accidents and improve road safety is by changing the atitudes of road-users. In a utopian situation everyone would drive defensively, assuming tht he or she was sur*rounded by vehicles, bicycles* and pedestrians hellbent on collision. Skilful driving is always defensive, never aggressive, which doesn't mean it has to be slow and obstructive to other road-users.

The Insitute of Advanced Motorists, which will carry out its quarter-millionth advanced driving test before April, believes in defensive driving but it fails people for not making adequate progres in derestricted areas as much as for using unwise.

I am an enthusiastic supporter of the IAM and believe the roads would be safer and pleasaner to drive on if everybody lived up to its ideals. It promotes skill and responsibility at the wheel and says that if everyone had the ability *to pass the IAM test and the* self-discipline to employ its standards, accidents and casualties would drop dramatically.

The Cornhill Insurance Group agrees. It offers a 20 per cent discount to IAM members because their accident record is better than average.

This has saved me the cost of belonging to IAM (£7.50 a year plus a once-only £12.50 test fee) many times over in the 10 years I have been a mefber. I would recommend any driver who regards his car as more than a box for going from A to B, and who believes it is socially irresponsible not to drive as well as possible, to consider taking the advanced driving test. The IAM is at 359, *Chiswick High Road, London,* W4 4HS, telephone 01-944 4403.



MOTORISTS who approve of defensive driving will probably be drawn to the Volvo 740GL (pictured) because it enshrines all that is sensible and good in cars. Its face may not be its fortune but it seats five comfortably, has exceptional visibility all round, is well mannered on blustery motorways and surprised me with its nimbleness and economy.

***The power steering** is* **sensitive without being over-light and the two-pedal model I drove gave me nearly 27 mpg, which for a 2.3 litre, 131 horsepower car of solid construction is very good.**

The three-speed automatic has an overdrive, brought into operation by touching a button in the selector handle. By keeping it engaged all the time, except when in heavy traffic, one saves fuel and reduces noise. Experimentally disengaging it at 70 mph made the engine sound hard-working but with overdrive in, mechanical noise levels are low.

The boot is enormous, the controls precise and the instrumentation plain but easy to read. Volvo stays faithful to its non-independent rear suspension, not least for its handling advantages in Scandinavia's winter snows, in the 740 and the 760 series cars. As a result, back-seat passengers feel potholes and bumps more than they would in a car with a more sophisticated rear suspension. But it's about the only fault I would find in a car with great appeal to the mature kind of motorist. Top speed is over 100 mph; standard equipment includes central locking and headlamp washers; and the price is £9,849.

Sandal harbour: a resort between Marseille and Toulon

Hazy memories of a golden past

Arthur Sandles explores the French Riviera and Provence

IS THERE any more perverse creature than the traveller? Put us in a quiet rural backwater and we complain about the lack of urban sophistication: Why do country shops sell agricultural produce of such a low standard when they are surrounded by fields of high quality fruit and veg?

When we return a year later to find a few Michelin rosettes have sprouted and the local equivalent of Justin de Blanc has opened, we complain about the lost days of bucolic innocence which, we protest, we loved so much.

The mere mention of Provence or any of its varied parts tends to provoke such comment and argument. "Ah, you should have seen it 25 years ago." Well, I did. That was the time someone smashed my wind*screen to pinch £5 from the* glove box of my ageing Singer Gazelle. They said then that the golden days were over too.

Now they also say that the British have deserted Provence. The officers have gone to Tuscany, other ranks to the Dordogne. The Route Napoleon *has been abandoned to* the Germans and the French themselves, while Nice airport has been given over to the Americans. On a busy Saturday they are welcome to it. You should have seen how pleasant it was 20 years ago . . .

Provence, however, remains my touristic benchmark. The huge variety of interest and diversion contained in a region which stretches from the Camargue to Italy, from the sea to Sisteron is unmatched in its entirety and offers high standards in its separate parts. Before you spend your thou*sands on that distant Indian or* Pacific Ocean island holiday, think what the same money would buy you in Provence. Twenty years, or 50, have not changed that.

Provence gets its name from the Romans, it was simply the province. Today, that Roman past *is as* apparent *as ever.* Much of it, indeed, remained Italian until the mid-19th century when the area around Nice was ceded to France as part of the exchange package which helped to create the modern unified Italian state.

This is the region, as much Italian today as it is French, that comes to most British minds when the word Provence is mentioned. Here one can escape from the Riviera crowds and still see the incomparable combination of heat-hazed *mountains,* olive groves, clay roofed villages and tortuous roads struggling their way through the craggy passes.

Many of the mountain towns and villages have been asleep for centuries, their role as defensive strongholds long since passed, and the age of tourism *not yet arrived.* Now they are awakening, communications have improved dramatically and travellers' eyes have moved away from a preoccupation with *the seaside.*

Spectacular villages such as Eze and Hautes Cagnes are well used to the tourism flood, but this should not put you off. It is well worth pulling off the direct route to the coast (leave the autoroute at Cavaillon) on your way down and diverting through the Luberon mountains, now a natural park area, where dozens of once abandoned villages are reviving with artist and craft colonies.

Even the road names are exotic. From the Luberons you *travel onwards west via the* route Lavande and along the Corniche Sublime.

And so to the sea. Yes. The *Riviera itself, that coastal strip* running from Cannes to the border (but in which I tend to include St Raphael since that is where the typically Rivieran coast starts) has changed. The rich still have their villas, but the fashionable have moved off to the Grenadines in the winter *and private Greek islands in the* summer. It is a strip to avoid in the French school holidays when the aroma of boiled fat takes over from lavendar and mimosa — just because they are called *frites* does not make a chip shop any less of a chip shop.

If you are heading for the Mediterranean coast and must go in the school holidays, for the simple fact that you have children, then the resorts of the western end of the Côte d'Azur are a much better bet, partly because there is more of a holiday mood about the traffic jams. Cavalaire and Cavaliere, similar enough in name to lead to splendid arguments over map reading, are pretty hectic in early August but they do have good beaches, there is a reasonable supply of good eating places and the local bandol wine is pleasant and cheap.

One reason for the region's popularity is, of course, that it is driveable from anywhere in Northern Europe. Packing families into aircraft is a tiresome task in itself while pouring them into the car is an adventure. Remember, of course, that motoring is not free as I have found this week.

Filling my modest saloon's tank cost just over £20 this week compared with about £17 in the UK—and, with luggage, kids and higher than usual speeds my petrol consumption dropped from 40 to nearer 35 to the gallon.

Autoroute charges will account for *£20* at least on your run from the Channel to the Cote d'Azur, much more if you use the A routes all the way. It is worth considering, therefore, the car-carrying rail services of SNCF. Although the prices may seem a shock at first sight they are not quite so bad when you take into account the various savings you make in en-route costs. If you do drive you will find Visa the most useful credit card in France for the purchase of petrol.

Off-season and inland, which most purists would claim to be the best formula for the enjoyment of Provence and its coastal strip, there is not much point in booking ahead. Finding nice hotels and making the occasional mistake is all part of the fun. On the coast and in the season, however, forward booking is essential.

You can get help on hotel names and tour operators from the French National Tourist *Office in Piccadilly, London* (don't bother to phone, you can never get through). For reasons best known to themselves the Consumers' Association's excellent guide to France (the 1985 revised edition) does not appear until March, which is a bit late in the day, although members *may be offered* it in February.

Meanwhile, content yourself with the soon-to-be-published red guide from Michelin, or the Mitchell Beazley pocket blue guide to the south of France, originally part of the American Express series but now, it seems, floating off without benefit of such sponsorship. You might also try the new Fontana/Hachette guide to France, published in English for the first time this year (£9.95).

These guides will all help with hotels. For descriptive words the best bet is probably the expensive but collectable Shell guide. Then there is the Michelin green guide to Provence and the Cote d'Azur. *En route,* Messrs Arthur Eperon and Richard Binns have written rival ads with the travelling Briton particularly in mind.

Buying a package is a good way of removing the administrative worries of a holiday. A huge range is on offer, from villa rental to campsites, from hotels to mobile homes, using road, rail, air and ferry. The only advice worth giving here is to get as many brochures as possible. Prices vary enormously. *Which?* recently discovered price variations of as much as £100 for the same holiday.

If you buy a package to France, remember that many of them are unbonded (bonds are only legally required for air charter holidays), but you can *buy insurance against* your tour operator going bust. These days independent tour companies are quite used to being asked about their financial security and may offer insurance or some alternative bonding system—if your tour company reacts badly to questions, go somewhere else.

Those old eternal questions

THERE are times when the *most fervent ski* enthusiast wonders whether it is all worth it. Just such a moment came a few nights ago atop some alp *when your correspondent* was struggling midst a howling blizzard to fit snow chains to a car which had already demonstrated its own preference for warmer climes.

The car now sits outside the apartment block which has been *our home for the past few days.* It looks increasingly as if it will never move again. The acid in the battery is new solid, the coolant ("guaranteed to —25 deg Centigrate") is an icy goo, and taking out the dipstick is like withdrawing a teaspoon from black treacle.

Here in Verbier the local "depannage" truck is doing a roaring trade towing away similarly disabled British-registered vehicles. I can only pray that by the time our own departure is due the temperature has gone up enough for us to fly solo—the pain of assistance now that there are fewer than three Swiss francs to the pound could be considerable.

It has been only a slight discomfort to be told that the temperature at the moment is lower than has been recorded for 40 years hereabouts.

But at least there is snow, although things must have been very poor before that blizzard. After all those dire warnings before departure it was something of a relief to find that there was some cover on the ski runs. Conditions are still far from ideal. Most runs have worn patches on them (at the time of writing, things can change quickly) and a further dumping of snow is needed desperately. The sheer cold, however, has meant that thinly spread snow is available both on the nursery slopes and the mountain top. If the weather was warmer this thin cover *would have melted on the lower* slopes. But since the snow has never melted there are no icy patches, although the going is very firm.

This firmness has meant a real test for my new Rossignol First Softs, a ski launched by the French manufacturer last season and which proved so much in demand that UK supplies dried up. I am trying them as part of the eternal search for the ideal all-round ski. *At times* it is like looking for the holy grail.

Like most British skiers I have neither the money nor the baggage allowance for several pairs of skis, nor do I know the ski conditions that I am likely to encounter. My skis have got to cope with ice and powder, slush and moguls. As far as I am concerned this cuts out all the race-based models, whether de-tuned or not. I simply cannot handle them off-piste.

Recently, however, manufacturers have succeeded in giving the softer nosed skis — *which most recreational skiers* enjoy anyway because they are easier to turn—a considerable lateral stiffness. This makes them much more stable on ice.

The best of both worlds? Well, certainly my first softs produced vastly greater grip on Verbiers hard pack than I had expected, so much so that I actually enjoyed a spell of bump-bashing among some of those cliff-sided moguls that tend to develop on cold slopes with insufficient snow. I much prefer them to the Dynastar Omesofts. But you see far more Omesofts around. Perhaps it is just the way I ski.

Meanwhile, my poor little motor car *is beginning to* look like a cliff-sided mogul itself. If it doesn't warm up perhaps the rich folk next door with the Range Rover will tow me out as a gesture of British unity.

Arthur Sandles

Freezing Kitzbuhel

HAVING JUST about coped so far with the meagre amount of snow, Austria, like most of Europe, is now suffering from meteorological problems of a different kind. It's *freezing* cold.

As shivering Kitzbuhel tries to give a warm welcome to the heroes of this year's Hahnenkamm race, local papers are headlining the weather—at minus 39C the coldest in Austria's history. One spot near Innsburuck claimed to be the coldest in the world.

However, the sun has been shining, and Thomas Cook has been demonstrating that there is more to Kitzbuhel than just the Hahnenkamm, twinkling lights and gooey cakes.

A ski safari over 35 downhill kilometres linking Kitzbuhel and Pass Thurn will keep you busy for the best part of the day, though the official description of "superb skiing for skiers with fantastic physical condition" is, like the route, over the top.

The safari can also be made from neighbouring Kirchberg or Jochberg.

At the moment there is something to be said for skiing off-piste because on the piste the snow is often rather threadbare. Local proprietors of ski hire shops are wincing as ski after ski comes back gouged by rocks. I am ashamed to say I have given mine a battering—even off-piste there are rocks waiting to harm skis. If you are wondering whether to bring your own or hire, I would recommend that you leave your treasured skis at home.

Arnold Wilson

CHRISTMAS QUIZ SOLUTION

CONGRATULATIONS to all our readers who entered the annual Christmas quiz competition. Honey Russell, editor of Tough Puzzles, who devised the quiz for us, felt that this year was a vintage one in terms of the quality of entries. Last year's puzzles were, she says, quite difficult and the entries of a very high standard, but this year she was quite frankly, "amazed" at how many people got nearly everything right. She thought it was even harder than last year and "they really must have worked very hard at it or else just naturally be very clever indeed."

The question that tripped up most people was the relatively simple one in the 1984 quiz section asking what Toshiba announced it would open in Plymouth. Most people thought it was an audio factory but in fact it was one for making microwave ovens.

In the literary quiz, in question number two, so many people devised so many reasons for choosing any of the titles as the odd one out that nobody was disqualified for not coming up with Tough Puzzles' own answer.

By contrast Honey Russell felt that the Consumership Problem about the apples was exceedingly tough and yet almost everybody managed to work that one out correctly. A small error that many people made was to answer just Boswell to question number 10 in the Literary Quiz when the correct answer was Boswell and Johnson.

As usual there were quite a lot of group entries, mainly from families or friends who got together over Christmas, and we thank you all for your charming comments.

Now to the winners. In the end there were four readers who got every single question absolutely right and we feel really badly for the fourth one whose winning entry was pulled out after the first three had been declared winners. Our congratulations go to Bryan Robson of Ruislip, Tessa Bennett of Twickenham and Mrs J. D. Crabtree of London SW19—two bottles of champagne are already on their way to you all. The unlucky fourth entrant who had every answer right was Mrs A. Musgrove of Carshalton Beeches. Three readers who only missed by a whisker (putting down just Boswell instead of Boswell and Johnson) were Susan Barty of London SW12, Clive Baugh of Croydon and Adam Broadbent of Cheapside—congratulations to all three of you as well.

Below, in order to make the answers more comprehensible (those who entered were asked to send in their original page with the solutions penned in) we reprint the questions with the answers.

CONSUMERSHIP

"Don't just look at prices in the shops—compare them, convert one into another, juggle with them in any way you like to get nimble with numbers." That's what our lecturer on "Consumership in the 1980s" said, which is why, when I saw the display of figs at the greengrocers, I noticed at once that the price of a fig was 5p more than the price of a Bramley apple. I wanted Cox's apples and I bought as many of these as the number of pence asked for a fig. I gave the girl a £1 note and she gave me two "silver" coins of different values in change. When I arrived home I found that two of the apples were very badly bruised and I wasn't having that, so I returned to the shop, where they gave me my money back for the two bad ones. It was while I was waiting for this that it struck me that, if the apples had cost 1p each more and I had returned one less, the amount I would have spent extra to what I actually did spend came to the price of one fig and one Bramley apple. I think I'm getting the hang of Consumership, but the trouble is that wih all this nimbling I've forgotten the price of a Cox's apple. Can you help?

A Cox's apple costs 5p, a Bramley costs 4p, and a fig costs 9p.

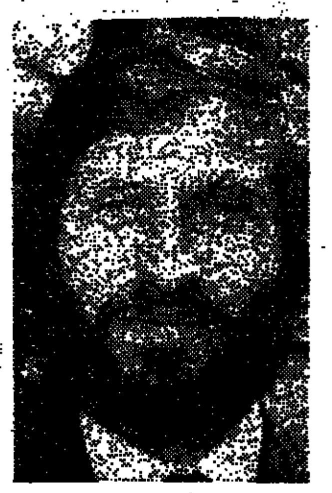
1984 QUIZ

FIRSTS

a) What "first" was moved from a peat bog in Cheshire to the British Museum?
The first body of a prehistoric man to be found in Britain.

b) The world's first test-tube quadruplets were born in January — in which continent?
Australia.

c) Who became the first man to reach the Magnetic North Pole alone on foot?



David Hempleman-Adams.

d) Bruce McCandless "walked" into history this year. How?
He "walked" in space without a safety line.

LONDON KALEIDOSCOPE

a) What did the Queen officially open by closing on May 8th?
The Thames flood barrier.

b) Who ran from Greenwich to Westminster and so ensured his ticket to Los Angeles?
Charles Spedding.

c) In what very real sense might a Piccadilly clean-up campaign be said to have removed romance from the streets?
The statue of Eros was removed for cleaning and repair.

Charles Spedding

WHAT'S IN A NAME?

a) J. B. Priestley died this year at the age of 89. What were his first names?
John Boynton.

b) Prince Henry was born on September 15. What is his full name?
Henry Charles Albert David (Windsor).

c) We've heard a lot about NACODS this year — but what does the S stand for?
Shot-firers.

MILLIONS AND MILLIONS

a) Who had lots (about £1,000,000-worth of jewellery) stolen by armed raiders?
Christies.

b) In whose memory did James Sainsbury leave £18m to leukaemia research?
Kay Kendall.

c) A £34 million contract was awarded to convert which London landmark into an entertainments centre?
Battersea Power Station.

OBITS

Many well-known men and women died during 1984. From the following descriptions can you identify:

a) The founder of the Badminton Horse Trials
The Duke of Beaufort.

b) The Broadway singer and actress who starred in Call Me Madam
Ethel Merman.

c) A developer of opinion polls
George Gallup.

d) The leader of the Lebanese Philangists
Pierre Gemayel.

e) An Italian baritone
Tito Gobbi.

f) The wartime Commander-in-Chief of Bomber Command
Sir Arthur Harris.

LOST AND FOUND

a) On the 130th occasion of the event in which it was taking part, what cost £7,000 and was lost?
The Cambridge boat.

b) What hot property was found in a small water relay substation?
Silver heirlooms stolen from Woburn Abbey.

c) What was hidden in the Lake District 48 years ago and was seen again during the summer?
The village of Mardale.

d) What was lost by Challenger in February and regained by a Discovery in November?
A communications satellite.

ALL OVER THE PLACE

a) Prestwick, Birmingham, Liverpool, Cardiff, Southampton and Belfast are soon to be taken off duty. Why?
They are the chosen sites for Britain's first free ports.

b) In which singular-sounding place in the Far East did the Pope canonize 103 martyrs?
Seoul.

c) Washington New Town in Tyne and Wear landed a Japanese pilot. Which one?
The Nissan Motor company is to build a pilot plant.

d) Dixsville Notch was the first to come in on November 6th. With what?
The first result in the U.S. Presidential election.

WOMAN'S WORLD

a) Which member of the Royal Family was painted by the only woman member of the Royal Society of Portrait Painters?
The Princess of Wales.

b) Of what institution was Brenda Dean elected General Secretary in March?
Sogat 82

c) Who took a trip to California and cried "foul"?
Mary Decker.

CITY NEWS

a) Which U.S. company took control of Aston Martin Lagonda?
Automotive Investments/Products.

Robert Maxwell

b) Robert Maxwell bought Mirror Group Newspapers. Which papers were included?
Daily Mirror, Daily Record, Sunday Mirror, Sunday Mail, Sunday People, Sporting Life.

c) What organisation purchased the Dorchester Hotel in July?
Regent International Hotels.

d) What did Toshiba announce that they would open in Plymouth?
A microwave factory.

e) What did the Al-Fayed brothers acquire for £138.3 million?
A 29.9 per cent stake in the House of Fraser.

TAKEOVER

In what capacity did each of the following takeovers occur?

a) Bill Cotton from Aubrey Singer
Managing Director of the BBC.

b) Norman Willis from Len Murray
General Secretary of the TUC.

c) Peter Jonas from Lord Harewood
Managing Director of the English National Opera.

d) Douglas Hurd from James Prior
Secretary of State for Northern Ireland.

Douglas Hurd

e) Ron Todd from Moss Evans
General secretary of the Transport and General Workers' Union.

POT-POURRI

a) What was closed on August 7th, forcing some commuters to take a 30-mile detour to work?
Both Mersey tunnels.

b) What act of God on a house of God was seen by some as an act of God?
York Minster was struck by lightning.

c) Joe Kittinger made a record-breaking flight across the Atlantic. What else did he break?
His ankle.

FIGURE IT OUT

The digits 1-9 each appear four times in the grid, and no two squares which are adjacent horizontally or vertically contain the same digit. Every instance of a digit's occurring more than once in a row or column is mentioned in the clues.

ACROSS

1 A pair of 3s; 6 is the highest number; the sum of the digits is 23

2 A pair of 2s; the sum of the digits is 26

3 A pair of 9s enclosing an 8; the sum of the digits is 44

4 A pair of 4s; 1 is the lowest number; the sum of the digits is 30

5 A pair of 5s, 9 being the highest number, the sum of the digits is 25

6 9 is the highest number

DOWN

1 A pair of 9s and a pair of 2s; there are no 1s; the sum of the digits is 29

2 A pair of 6s and a pair of 1s; there are no 4s; the sum of the digits is 27

3 A pair of 4s, 9 being the highest number; the sum of the digits is 23

4 A pair of 7s

5 A pair of 8s, 3 being the highest number; the sum of the digits is 36

6 A pair of 5s enclosing a 7; the sum of the digits is 29

	1	2	3	4	5	6
1	3	6	4	3	2	5
2	2	1	2	6	8	7
3	9	8	9	7	6	5
4	4	6	1	4	7	8
5	2	5	3	9	5	1
6	9	1	4	7	8	3

TAKE YOUR PICK

Carol, a woman of decided tastes, was giving Noel his instructions as he set off to select a ready-decorated tree from the local market:

"If the tree is decorated with round baubles and has a star on the top then it should have candles on it, unless it also has a ribbon around the tub. If it has a pink tub and has candles on it, then it must also be decorated with streamers, unless it has an angel on the top. If there is a ribbon around the tub and the tree is decorated with round baubles. If the tree has candles then it must the top, unless it is also decorated with streamers. If the tree is in a black tub and is sporting both shapes of baubles then, unless it has a star on the top, it should also be decorated with candles. If it has an angel on the top and candles on its branches, then there must be no ribbon around its tub unless the tree is also decorated with round baubles. If the tree has candles then it must have a star on the top unless there is a ribbon around its tub. And, finally, if it has both a ribbon around its tub and an angel on the top, then, unless it sports baubles only of a diamond shape, it must not be decorated with candles."

Which of the eight trees on offer should Noel select?

Tree No. 7.

1 2 3 4 5 6 7 8

SUPERSANTAS

At the recent graduation ceremony at the Santa Training Academy, the five star pupils, who were each specially commended for a particular aspect of their role, were immediately sent to work in the grottoes of different department stores. From the following information, can you determine the graduation placing awarded to each Father Christmas, for what was commended, and where each was sent to entertain the children?

The Father Christmas whose ho-ho-hos were highly commended came two places below the one who was sent to Saffrages, who was not Greville.

Arbuthnot, whose general joviality won him his commendation, was neither the man who came first nor the one who came last.

The Father Christmas whose head-patting style was commended and who was sent to See & Pay came higher than the one who was sent to Boddiss's but lower than the one who was sent to Burn & Hollysworth.

Franklin, who was sent to Harolds, came two places higher than the Father Christmas whose rotundity won special commendation—this was not Winston and neither of the latter was placed fifth.

Position	Name	Commendation	Store
FIRST	FRANKLIN	WHISKERS	HAROLDS
SECOND	ARBUTHNOT	JOVIALITY	BURN & HOLLYSWORTH
THIRD	JEMIMA	ROTUNDITY	SAFFRAGES
FOURTH	WINSTON	HEAD-PATTING	SEE & PAY
FIFTH	GREVILLE	HO-HO-HO'S	BODDISS'S

LITERARY QUIZ

1 a—In what way was John Betjeman summoned by the Brontës?
Summoned by Bells; Betjeman's autobiographical poem; Bell was the pseudonym adopted by the Brontë sisters.

b—In what way do Messrs Clare and Oak play a leading roles in Paradise Lost?
ANGEL Clare and GABRIEL Oak; the Angel Gabriel appears in the Paradise lost.

c—In what way did Shakespeare's poor jester make a Sentimental Jolrney in 1768?
Yorick in Hamlet; Mr Yorick is the "author" of Sterne's Sentimental Journey.

d—In what way was Bertie Wooster's creator the hero of Bulwer Lytton's novel subtitled Adventures of a Gentleman?
Pelham G. Wodehouse: Pelham is the title of Lytton's novel.

2 Which of these titles is the odd one out?
a—Brave New World
b—Far From the Madding Crowd
c—The Darling Buds of May
d—Present Laughter
Far from the Madding Crowd is a quotation from Gray's Elegy in a Country Churchyard, the rest are from Shakespeare.

3 Where would you find the following?
a—Greene's Man
In Havana
b—Dumas's Man
In the Iron Mask.
c—Johnson's Every Man
In his Humour.

4 Identify the linking theme of each of these trios by filling in the blanks (the theme alone is required as an answer):
a—Sir ...... Dedlock, ... Patmore, ... Deeping
Leicester, Coventry, Warwick (Midland) towns.
b—...... of Midlothian, Coot .... The Eustace ......
Heart, Club, Diamonds—playing card suits.
c—All the Year .... The Caucasian Chalk ......, Lord of the ......
Round, Circle, Rings — round objects.
d—...... Barbara, ... Courageous, ... Lives
Major, Captains, Private—military ranks.
e—...... Claypole, ... Magwitch, ... Bede
Noah, Abel, Adam—old Testament characters.

5 Of which literary families are the following members?
a—Wendy, John and Michael
The Darlings—Peter Pan.
b—Jane, Elizabeth, Mary, Kitty and Lydia
The Bennets—Pride and Prejudice.
c—Daniel, Clara and Ham
The Peggotys—David Copperfield.
d—Julia, Sebastian and Cordelia
The Flytes — Brideshead Revisited.

6 a—Which literary work was dedicated to "Mr W. H."?
Shakespeare's Sonnets.
b—Who wrote under the pseudonym "Q"?
Sir Arthur Quiller-Couch.
c—The chorus of Henry V refers to a "wooden O." What is it?
The theatre.

7 Descriptions of the following people form the titles of the works in which they appear (for example, Antonio is The Merchant of Venice). Can you identify the titles?
a—Valentine and Proteus
The Two Gentlemen of Verona.
b—Donna Lucia D'Alvadorez (from Brazil)
Charley's Aunt.
c—Jo, Beth, Meg and Amy
Little Women.
d—Michael Henchard
The Mayor of Casterbridge.
e—Phyllis, Bobbie and Peter
The Railway Children.

8 Multiply Lawrence's Pillars of Wisdom by Wallace's Just Men, add a group of war sonnets by Rupert Brooke, Jerome's men afloat and Buchan's Steps. Who wrote it?
7 × 4 = 28 + 1914 + 3 + 39 = 1984. George Orwell.

9 a—What was "Pip's" real name?
Philip Pirrip.
b—What was "Kipps's" first name?
Arthur.
c—How long was Rip Van Winkle asleep?
Twenty years.
d—Which Dickensian character had a dog called "Jip"?
Dora Copperfield.
e—"Here hung those lips that I have kissed . . . Where be your gibes now, your gambols, your songs?" Whose lips?
Yorick.

10 Which authors undertook:
a—a Tour of the Hebrides in 1785?
Boswell and Dr Johnson.
b—an Excursion in 1814?
William Wordsworth.
c—Travels with a Donkey in the Cevannes in 1878?
Robert Louis Stevenson.

Plain Jane

BY ANTHONY CURTIS

The Life of Jane Austen
by John Halperin. Harvester Press, £25.00. 400 pages

Jane Austen's Family: Through Five Generations
by Maggie Lane. Robert Hale, £11.50. 276 pages

Jane Austen's Heroines: Intimacy in Human Relationships
by John Hardy. Routledge, Kegan Paul. £12.95. 134 pages

The portait of Jane Austen, in the 1870 Memoir by her nephew James Edward Austen-Leigh, an engraving taken probably from her sister Cassandra's pen and pencil sketch around 1810, shows a lady who, at the great age of 35, has settled for the life of an old maid. The face in its frilly bonnet is both composed and defiant; the large well-set eyes indicate penetration, a quality she admired above all else, and a thoughtful intelligence, if not the high-spirits, the tart wit that could find endless narrative material in the routine commonplaces of domestic life. The portrait by a loving sister seems slightly at variance with the inscription carved on her tomb in Winchester Cathedral at the behest of her family:

> The benevolence of her heart, the sweetness of her temper, and the extraordinary endowments of her mind obtained the regard of all who knew her, and the warmest love of her intimate connections.

No one would want to quarrel with that as a sincere tribute paid by her bereaved brother and sisters, nephews and neices (of whom she had a great many): it is just that it leaves out most of what posterity has come to value in Jane Austen; for example, the fact that she wrote novels.

Professor John Halperin of Vanderbilt University has for long been struck by the discrepancy between the received picture of Jane Austen, handed down to us from the earliest family tradition, of Aunt Jane hiding her manuscript under her sampler when anyone came in the room, and the one you get through reading her: a woman determined to make clear the distinction between illusion and reality in human affairs. In spite of her denigrators, who range from H. W. Garrod ("Jane Austen: A Depreciation") to Kingsley Amis ("What Became of Jane Austen?"), in spite of D. H. Lawrence's jibe about "spinsterly limitations," Jane Austen's reputation as an artist is as high as it ever was. She is near the top in the charts both of the people who compile English syllabuses, and of those who plan schedules of drama-serials. Halperin's search for the real Jane Austen is therefore of rather more general interest than the average academic biography.

Jane Austen, the daughter of a clergyman, was one of eight children. Though neither she nor her only sister Cassandra married, most of her brothers did, some more than once, and produced large families in their turn. The reader becomes quite bewildered by all the Jameses and Henrys, Marys and Cassandras, there were in her background and foreground. Although Jane was the solitary genius, ability was widespread; after the church, the navy and banking were favourite professions for the menfolk. Among her forebears there was one Master of Balliol and among her descendants one Provost of King's College, Cambridge.

Halperin has worked hard to get on intimate terms with both Jane's immediate and remote family connections. In this area his book overlaps with Maggie Lane's excellently researched *Jane Austen's Family* which takes the story of the Austens both further back in time than Jane's life-span and further forward, drawing on the copious family papers. But whereas Maggie Lane is concerned with the Austens merely as a family, Halperin is alert to anything in the written records that might shed fresh light on the novelist. He also makes a fuller use than any previous biographer of the edition of her Letters edited by R. W. Chapman in 1972. He comes to the conclusion that Jane got on rather badly with her mother, that she disliked young children, that she in her turn was not always her brothers' favourite sister, and that far from being invariably sweet-tempered she was often "judgmental" with the young, malicious about her contemporaries, and callous about the old. In other words, like all great artists she was a highly complex individual.

"Judgmental" is an inappropriate word to use about Jane Austen. It belongs to the world of 20th century social work. In the 18th century anyone who was anyone was judgmental. Dr Johnson (her hero) spent his whole life being judgmental. Moreover, within the privacy of letters to an intimate sister (what today would be long gossipy 'phone calls during the cheap-rate) malice about fools one is forced to suffer gladly, is a fair enough safety-valve. She never dreamed the remarks would one day be published.

In spite of certain misreadings of tone, the general picture Halperin draws of a woman at the mercy of economic forces beyond her control, turning away from the marriage-market where she had opportunity enough to secure her independence, and retreating into fiction, a world where she acquired greater and greater confidence in spite of the paucity of contemporary reviews of her work, seems most accurate. Halperin is particularly good at showing how, after the death of her father, the complications of the inheritance affected the lives of the mother and daughters, he stresses the distressing shock of the move from Steventon to noisy Bath (compare Anne Elliott's uprooting from Kellynch Hall in *Persuasion*). Halperin turns frequently to the novels for such resonances. For my part I feel I shall turn to them after reading his book with fresh enthusiasm and understanding. In *Jane Austen's Heroines*, John Hardy, an Australian critic, avoids instead the consciousness of the biography altogether and studies the heroine in each of the major novels, and the awareness bred there by falling in love. This also proves to be an illuminating exercise.

8 College Street, Winchester, the house where Jane Austen died. A new biography of her is reviewed today

Oscar's friend and enemy

BY GEORGE MALCOLM THOMSON

Lord Alfred Douglas
by H. Montgomery Hyde. Methuen. £14.95. 366 pages

Even by the picturesque standards of the Scots nobility, the record of the Douglas family is pretty colourful — lunacies, suicides, several homosexuals, one conspicuous patriot and one cannibal. So Lord Alfred was about par for the course. Let us be clear on one point: he was not made a homosexual by Oscar Wilde, any more than he led the older man into the paths of vice. Both the leading characters in the dismal episode of 1895 were well set in their ways (generally with male prostitutes) before their fatal meeting.

What Douglas brought into the affair was romance. The two men were for a time in love with one another. This makes it possible to read Oscar's perfumed prose ("Your slim gilt soul walks between passion and poetry") without throwing up. The truth might be a squalid business of pimps and paid boys with blackmail never far round the corner. But for Oscar, in his madness, it was beautiful.

Montgomery Hyde tells the oft-told story fairly and fully, with humanity and sympathy. It cannot be easy to do that because at the centre of the drama are two lunatics. Why did Wilde pursue the Marquess of Queensbury who had left a card for him at the Albemarle Club accusing him of sodomy, when he ought to have known that, even in success, he would ruin his own reputation? Why did he persist in that course when it should have been obvious he could not win? The answer must be that he was blinded by passion. With Douglas the case was different: he had less to lose; he could be revenged on his detested father at the expense of his friend's catastrophe.

Two men emerge as trying up to the last to make commonsense prevail in this hell-brew of unreason: Frank Harris and Bernard Shaw. It was Shaw, for instance, who pointed out to Douglas that "Wilde was prosecuted not for sodomy, but for offences under the Criminal Law Amendment Act for the protection of boys, as to which he was guilty." Time and time again Shaw blows a wind of sanity through this hot-house of cant and fantasy. But in vain.

Reading Mongtomery Hyde's account of the scandal it is easy to understand the rumours it created. At the same time, Douglas's brother, having died owing to the accidental explosion of a gun which, rumour said, was not accidental at all but was due to a homosexual affair in which the Prime Minister, Lord Rosebery was implicated! No wonder all London trembled with prurient horror.

But, of course, this admirable new biography of Douglas is not concerned with this one garish incident. Lord Alfred lived for half a century after the Wilde case. He had many things to occupy him. Wilde, in exile, disillusioned about him, said, "Boys, brandy and betting monopolise his soul." It was not quite the whole story, although it is true that Douglas owned at least one successful racehorse, the chestnut Hardi, and made £2,000 in four days in the Casino at Monte Carlo.

Being a Douglas, he sought above all things the joy of battle; he was one who loved writing offensive letters and revelled in the fierce pleasure of litigation. In one remarkable trial — one of many — the Black Book case, he was called as an expert witness.

An eccentric Member of Parliament, Pemberton Billing, a pioneer of aviation and owner of a weekly scandal-sheet called The Vigilante, had alleged that a classical dancer, Maud Allen, gave private performances of *Salomé*, a stage play by Oscar Wilde, "a moral pervert." To these exhibitions were invited members of a vicious set whose names, 47,000 in all, were given in the mysterious Black Book. Figuring in the list were Mr Asquith and his wife, Lord Haldane and Mr Justice Darling, who tried the case when Maud Allen sued for libel.

From the witness box, Douglas supported the view that *Salomé* was a morally corrupting work. This was pretty cool on his part, considering that he had translated from the French, in which Wilde wrote it, and had in 1893 said that it was a perfect work of art, a joy for ever. He put up a rowdy performance in the box, among other things calling the judge a damned liar. By that time, Darling had lost control of the case.

The jury found for Pemberton Billing, who was given an ovation by the crowd outside the Court.

But what was the famous and sinister Black Book? According to the Pemberton Billing story, it was kept in the royal palace at Durazzo by Prince William of Wied, briefly king of Albania. There it was seen by Captain Harold Spencer, an American who worked for British Intelligence until he was invalided out on mental grounds. It was a handy list of people prominent in British life who, thanks to their moral weakness could be blackmailed by the Germans.

And what was the truth? The Black Book was, I believe, the mailing list of the Mercedes Benz car company.

The *Pemberton Billing* case was not the most creditable episode in Douglas's career as a litigant, although it was more successful than some of the others. And it illustrates very well that streak of madness that runs through this extraordinary and, in the end, pathetic life.

According to Braudel

BY W. L. WARREN

The Perspective of the World: Volume III of Civilization and Capitalism 15th-18th Century
by Fernand Braudel, translated by Sian Reynolds. Collins £18.95. 699 pages

In the middle of the 18th century per capita income in Britain and Japan was about the same; both were rather poorer than France and India, and all were outstripped by China. The sequel is less surprising only because it is better known: within a generation Britain's economy had taken off like a space-rocket and had come to dominate the world. This of course was a consequence of the Industrial Revolution; but we should recognise that industrialisation would not have produced so dramatic a change of fortune if Britain had not already established a flourishing domestic economy, a trading network which encircled the globe, and adaptable capitalist institutions. Britain's rise to dominance was not the sudden springing up of a whirlwind but a tidal wave *generated deep in the oceans* of history.

Fernand Braudel, doyen of French historians, will not allow that there have been successive forms of capitalism —"mercantile "industrial," "financial." Capitalism, he affirms in this book, is old as history, and "the whole panoply of forms of capitalism was already deployed in 13th century Florence." He is scathing about "the old myth of the hidden hand of the market," and about the newer myth of "the private sector as the source of initiative whose dynamism is stifled by government action." Capitalism has taken many forms, of which the familiar British and American forms are not typical. "The chief privilege of capitalism," argues Braudel, "is its ability to *choose*," and its readiness to swap horses in mid-stream is "the secret of its vitality." For all the conservative instincts of capitalists, capitalism itself thrives on change.

The unit of historical study which Braudel adopts is the economic zone, identifiable by its integrated commercial links, characterised by a particular form of capitalism, and dominated from a capitalist centre with a cosmopolitan culture. This is a more fruitful unit of historical study than the territorial state, and more comprehensible than Toynbee's "civilisations." Unfolded before us is the story of how the economic zone based in Europe was successively and in different ways dominated by Venice, Antwerp, Genoa, Amsterdam and London, of how European capitalism penetrated other economic zones in the Americas, Africa and the Far East, and of how it came to fashion a global economy. This is not, however, an economic history, but a history of world "seen from the vantage point of the economy." And although capitalism is the unifying theme, it is seen as "the barometer" of the civilisations of which it formed a part. "The worst error of all," in Braudel's view, "is to suppose "that capitalism is simply an economic system." He never quite identifies capitalism with civilisation but assumes a relationship as least as close as matrimony.

The vantage point shifts our perspective of history. The empires of Louis XIV and the Hapsburgs fade to the backdrop. We are confronted with historical problems couched in economic terms. Why was it that France, despite the early importance of the fairs of Champagne, *remained outside* "the capitalist circuit of Europe"? Why did Antwerp instead of Lisbon come to control trade *with the Americas?* Why did China withdraw from being a maritime power? Why were the Dutch so much more successful in the Far East than in the Americas? The answers are never exclusively economic, for explanations in history, as Braudel insists and demonstrates, are to be found in a particular conjunction of particular factors at a particular time. Sheer miscalculation can be crucial: Genoa lost its preeminence because it backed Catholic France against the Protestant bankers of the north and went down with the *ancien régime*. Nevertheless, Braudel believes in the primacy of economic factors, and argues, for example, that "the secret of English history" is that the pound sterling maintained a constant value of precisely four ounces of sterling silver for over three and a half centuries.

A world history over so long a span on any methodology, let alone one so novel, is a gigantic undertaking. Braudel carries it off with urbanity and infectious enthusiasm. The learning is prodigious, the agility of mind astonishing, and the deft brush strokes of descriptive technique beyond compare. Discussing seventeenth-century methods of warfare, he will skip from Flanders to Algeria, to Brazil and Canada, and throw in an aside about where Garibaldi learned guerrilla tactics (it was in Brazil). Now in his eighties and father-figure to a whole generation of French historians, Braudel has produced five stupendous volumes in all, any one of which would have made an academic reputation. No wonder that professional historians fall back in awe and speak of him as the twentieth-century's Gibbon or Macaulay.

Yet Braudel has no grand *thesis to propound, no axe to* grind, no interpretive model to sell. He has plenty of dicta but no dogma. "I prefer," he says, "to look at concrete examples than to attempt abstract definitions." It may be said that Braudel is a compiler *rather than a researcher*, an organiser of others' ideas rather than an original thinker; but though there is some truth in these charges they are hardly criticisms. In an age when impenetrably learned articles pour from academic researchers, we badly need works of lucid synthesis. Braudel is the prince of synthesisers. In any case, affection warms to an historian who not only tells the significant and surprising fact that the English always bore a heavier burden *of taxation* than the French, but also throws in the trivial but fascinating fact that English also also found a ready market in eighteenth-century Istanbul.

The book is handsomely produced, and the gallery of over a hundred apt *and telling* illustrations is alone worth the purchase price. It must be added that the translation by Siân Reynolds is a pinnacle of the translator's art, which persuades the reader that here is a Frenchman writing fluent English.

W. L. Warren is Professor of Modern History in the Queen's University, Belfast

A revised edition of John Harvey's standard work, **English Medieval Architects: A Biographical Dictionary down to 1550**, has just appeared from Alan Sutton at £30. The original edition, written with Arthur Oswald 30 years ago, has for a *long time been unavailable.*

O'Connell, the Liberator of Ireland—a contemporary caricature

Irish hero who charmed the mob

BY SARAH BRADFORD

The Great Dan: A Biography of Daniel O'Connell
by Charles Chenevix Trench. Jonathan Cape, £10.95, 345 pages

Daniel O'Connell, the "Liberator," protagonist of Catholic Emancipation, is an unfashionable figure, rejected *by the mainstream of Irish* nationalism whose early heroes were revolutionary martyrs such as Wolfe Tone and Emmet. O'Connell won emancipation for the Catholics by constitutional means and, while agitating (unsuccessfully) for repeal of the *Act of Union and the right of* Irishmen to govern themselves, insisted on retaining the link with the British Crown. He was the first to identify Irish Catholicism with the nationalist movement, harnessing the powerful impulse of the *Church for political ends, and* he was the first to make Irish nationalism a force in English politics. At the end of his life his refusal to countenance violent means caused a split between him and the new generation of nationalists, Young *Ireland, but it was their views,* not his, which were to prevail.

O'Connell was born into the Old Ireland, the son of an old Catholic family on the western shores of County Kerry, isolated by the penal laws from landed or political power (then synonymous). Fostered by a local peasant family, he wore the *caulac* and spoke only Irish like the other peasant boys, learning English when he returned home. (He retained the use of Irish all his life but never envinced that passionate interest in Gaelic culture which was so prominent a feature of later Irish nationalism). He was educated at St Omer and Douai, and read law in London, returning to Dublin to practise as a barrister in the last decade of the 18th century. Rejecting the revolutionary politics of Wolfe Tone and Fitzgerald, he used his brilliant forensic talents and a real genius for grassroots political organisation to promote his Catholic Association and, deploying Irish Catholicism as a motive force, succeeded in defeating the electoral influence of the Protestant landlords.

Elected member for Clare in 1828, in the years after Emancipation in 1829 he and his Irish "Tail" of some *30* members became a recognised factor in British politics, manipulating the weak Whig governments to his advantage and, in 1846, joining with his former enemy, Disraeli, in bringing down a man he hated far more, "Orange" Peel.

By then, however, O'Connell's great days as "King of Ireland" were over. The "*Monster meetings*" of hundreds of thousands of Irishmen in favour of repeal of the Act of Union ended in the humiliation of Clontarf in October, 1843, a direct result of a shrewd calling of O'Connell's bluff by Peel. His last years were spent *attempting to alleviate the* effects of the famine in Ireland and in quarrelling with the nationalists of Young Ireland. He died, symbolically perhaps, on a pilgrimage to Rome in May 1847.

Charles Chenevix Trench, using the letters recently edited by Professor Maurice O'Connell, has made a valiant attempt to remedy biographical neglect of O'Connell. His book illuminates many of the Liberator's weaknesses, his chronic impecuniousness and total financial irresponsibility, his vanity, his quarrelsomeness and his inconsistencies. It is good too on his passionate marriage to a woman of suburban mind who hated the rural Ireland which he loved and what she termed the "*common people*." It is less good on his strengths, his great oratorical powers both as a demagogue at the "Monster meetings" where his voice could be heard a mile off sounding as though it were "coming through honey" and in Parliament where *he was rated one* of the most effective speakers of his time, and the skills as a political organiser and wheeler-dealer which made him the prototype of the Irish-American ward boss.

One *could* wish the author had been bolder in delving into the Liberator's motivations, into the effects upon him of the social snubbing he received at the hands of the English Establishment and of the intricacies of his relationships with the *English Whigs and Radicals*, most of whom despised and distrusted him. More such detail would give a better balance to the necessary but dull recital of background and Acts of Parliament. A longer, more detailed, definitive treatment of the Liberator has yet to come.

Battles of intelligence

BY ANTHONY VERRIER

The Missing Dimension: Governments and Intelligence Communities in the Twentieth Century
edited by Christopher Andrew and David Dilks. Macmillan, £20, 300 pages

Colonel Z: The Secret Life Of A Master Of Spies
by Anthony Read and David Fisher. Hodder and Stoughton, £10.95, 361 pages

These two books offer an interesting comparison in how to tackle a subject which exerts an increasing and often dangerous hold over the minds and imaginations of both academics and writers for the general public. Andrew and Dilks are dons who already have a deserved reputation for writing history as it actually, not supposedly, happened. Read and Fisher are the authors of *Operation Lucy*, which elucidated, although it could not wholly explain, one of World War II's more improbable intelligence campaigns.

Andrew and Dilks have now produced a collection of essays concerning assorted events during the past century which provides *one of the very few* contemporary examples of intelligence discussed in a rational historical context. Jean Senger's "Enigma, the French, the Poles, and the British, 1931-1940" must be awarded the palm for research, virtuosity, and wit, and for correcting *some of the mistakes concerning* the origins and use of this formidable device which earlier writers could hardly avoid. Robert Cecil writes with moderation, and flashes of compassion, about "The Cambridge Comintern," an issue nevertheless which should now be given its quietus.

Wesley K. Wark writes soundly on "British military and Economic Intelligence: Assessments of Nazi Germany before the Second World War," although like others dealing with this issue he fails to stress the paucity of intelligence acquired, let alone distributed, about the dispersal of German industry to areas virtually immune from strategic bombing. Other contributions, ranging *over Britain and Ireland* before and during the "Troubles." Foreign Office security lapses, code breaking, and radio intelligence maintain an exceptionally high standard. The essay on the CIA is, however, a shade disappointing, while that on the D-Notice *Committee can only provoke a* wry smile at the antics of that most absurd institution. An essay on intelligence and *terrorism*—a strangely neglected if admittedly most difficult subject—would have been welcome.

Read and Fisher's *Colonel Z* (Claude Dansey, Deputy to the SIS "C" of World War II, Stewart Menzies, in effect although not by appointment) appears nowhere in the Andrew and Dilks essays. It is simply that Dansey, a *remarkable* intelligence officer—and remarkably cantankerous individual—played an important but not central role in Whitehall and in the field before and during the Second World War, and that a better biography would have resulted if the authors had spent less time on his earlier life and career—one of very varied fortunes but no special interest—and had concentrated their considerable narrative gifts on the years between 1935 and 1945.

Dansey realised that Hitler's Germany would be Britain's enemy; Dansey also grasped that Hitler's conquest of Europe made the acquisition of reliable intelligence there supremely difficult. It is much to Dansey's credit, therefore, that he sup*ported with all his gift for* backstairs Whitehall manoeuvres the establishment and operations of MI9. This War Office show ensured that service personnel in captivity and whilst escaping should, *inter alia*, acquire intelligence about Hitler's Germany and empire.

MI9 was an entirely sensible idea, but its progenitors were either personally averse from intrigue or unskilled in its application. Dansey, when not conducting his own vendettas inside SIS and with SOE, succeeded in convincing higher authority — possibly Churchill himself—that Himmler's success in eliminating agents in British service required the partial compensation provided by MI9. But it is a telling commentary *on the frequent mis*use of intelligence at the assessment and distribution levels that what prisoners noted *and* reported was often shelved. The Royal Air Force was provided with *some* valuable intelligence, but the area bombing campaign ground on remorselessly as if nothing had been discovered about the realities of life in the Third Reich.

Read and Fisher have thus, if unwittingly, written a cautionary-tale. It is no use, in the British establishment, of being too clever by half.

HOW TO SPEND IT

by Lucia van der Post

50 years of English chintz

QUIETLY, quietly, in its own understated English way Colefax & Fowler recently celebrated its 50th anniversary. For all this time, as fashions came and went, it hardly changed—its belief in what it was doing, in its own standards, in its particularly timeless approach to interior design, held firm. Not for Colefax & Fowler the excursions into Op and Pop, into Hi-tech or Scandinavian functionalism. Throughout the years its own fresh country chintzes, its painted furniture, its trimmings and its way of *using pattern on pattern*, came to be recognisably its own.

Now, of course, that fashion has moved on and come nearly full-circle, the chintzes, its soft paint effects, its air of gentle, slightly decaying but nevertheless elegant country living, is all part of the modern mood. Even its air of upper-class exclusivity (which John Thackara in the current issue of Design Magazine rightly blames partly on the authoritarian puritanism of some "modern" designers which forced Colefax & Fowler to operate outside their orbit) has come to be a source of admiration and not of condemnation.

Colefax and Fowler, many readers will already know, was founded in 1934 by Sybil Colefax who, as a celebrated hostess fallen on slightly hard times after the death of her husband, turned, like many others in the same boat, to decorating as a means of earning a living. When she joined up with John Fowler (lately of Peter Jones Studio) in 1938, the famous partnership began. Together they built up a reputation as decorators supreme in the art of making a country house seem at once elegant and comfortable and above all as if it had always been like that. Nothing they did ever looked too new or too smart. It would be hard to date any of the rooms or houses they did, so mellow and timeless did they look.

Anybody who has only admired the Colefax and Fowler style from afar, from the pages of the glossy magazines, might be surprised to find that some of the essential Colefax and Fowler ingredients can be bought at prices that are perhaps higher than say Laura Ashley and the John Lewis group but considerably more reasonable than many a grandly named imported range.

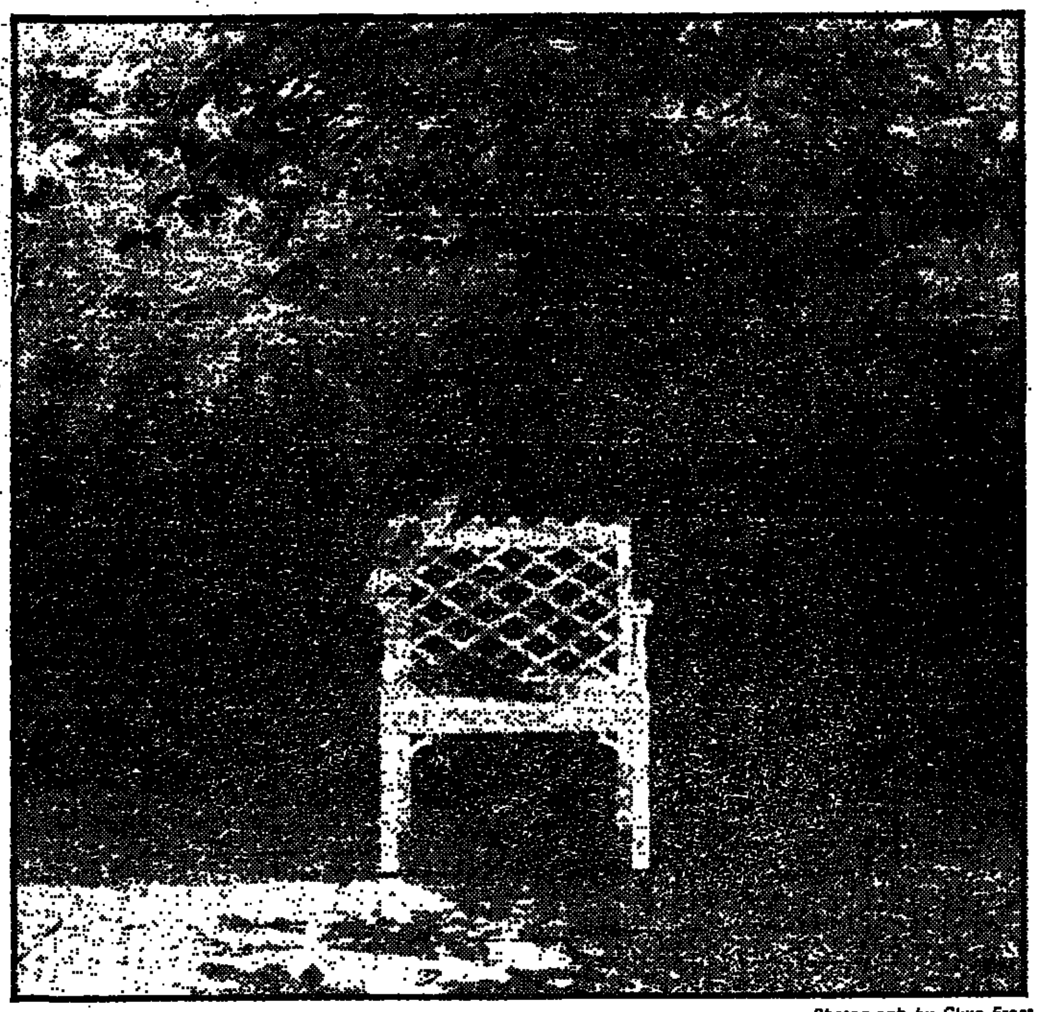
Go along to the main showroom at 39 Brook Street, London W1 and there you will see a perfect example of the Colefax & Fowler style. Nancy Lancaster's yellow library, one of John Fowler's most famous decorative schemes, is now part of the showrooms. Elsewhere you will see the dragged walls, a selection of the kind of decorative antiques, both painted and plain, that are its hallmark, as well as the wall papers, trimmings and fabrics that are used in its schemes and which customers can buy by the metre.

The once famous partnership has grown to encompass a number of teams (all headed by *the senior partner Imogen Taylor*) who do work for private clients and public institutions all over the world. But for those of us who can't afford to buy the whole design service, it is worth a careful look at the elements that make up the style. The famous chintzes by and large sell for under £20 a metre and the new Jubilee Collection brought under the aegis of the chief designer George Oakes, to celebrate the 50 year Jubilee sells at between £14.35 and £16.95 per metre (exclusive of VAT). Most of these designs have been taken from original documents, found in archives in England, France and sometimes Switzerland, and have been re-coloured or re-designed to meet our modern tastes.

One new design appropriately called Jubilee, was specially commissioned to commemorate the event. It incorporates all the typical ingredients of an English chintz but the finished effect is more as if it were a warp-printed silk.

The Colefax & Fowler collection of trimmings and its own carpet designs (I'm especially fond of Higford, which has all the charm of a handworked needlepoint design) are all also available by the metre to individual customers. Carpets have to be specially ordered and can be made up to special colourways. The antique furniture, whether painted or plain, is also for sale and there is a small collection of garden furniture, mainly antique but also including the seat photographed above.

The Chintz shop is at 149 Ebury Street, London SW1. There is another branch in Edinburgh at A. F. Drysdale, 35 North West Circus Place and, of course, Paris and Brussels each have a chintz shop.



Photograph by Clive Frost

ABOVE: The impeccable simplicity of this garden scene sums up the Colefax & Fowler approach to gardens—John Fowler chose Italian terracotta for the walls and the garden seat is part of its own collection of garden furniture, available to order from 39 Brook Street, London W1.

Photographed left is one of the chintzes brought out to celebrate the 50th anniversary of the founding of the company. This particular design is Lilies & Geraniums, a large-scale design first produced in England in the 1870s which has been recoloured under the direction of George Oakes. It sells at £16.95 a metre (plus VAT).

Glad rads

THOSE of us who are lucky enough to be quietly enjoying the benefits of smoothly running central-heating systems are only too well aware that most radiators may be welcomed for the heat they give off but seldom offer much for the eye. They are usually ugly, intrusive and badly designed and however seriously one compares the merits of one sort against another, the choice seems, to put it at its kindest, limited.

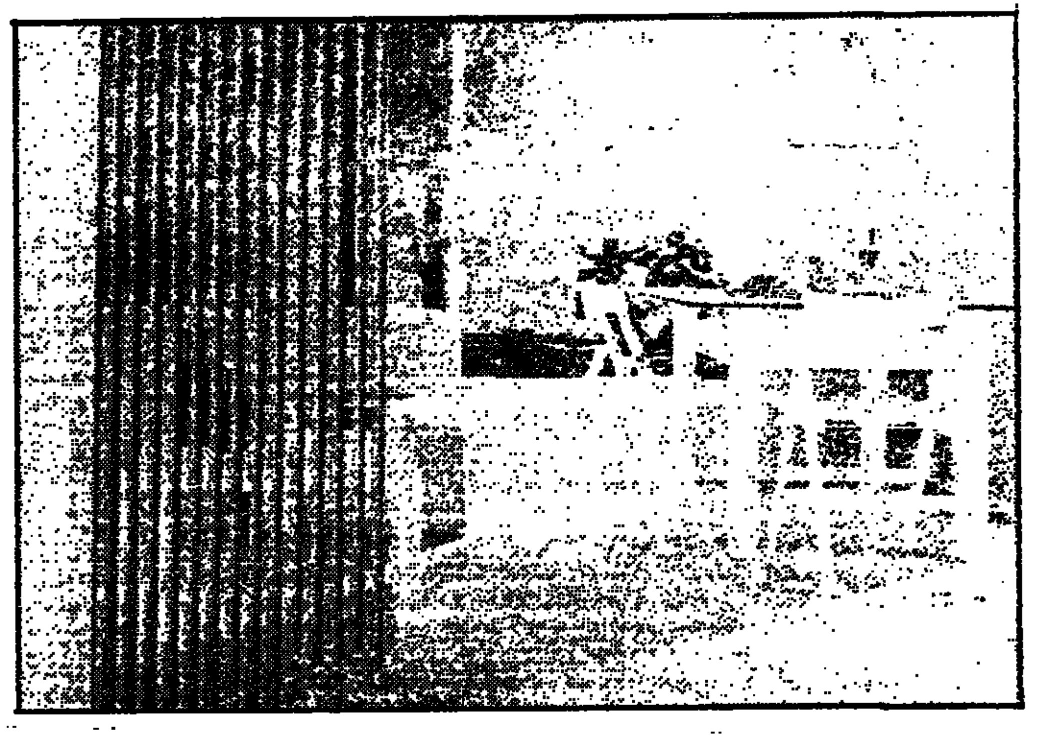
Anybody about to put in new central heating or thinking of updating an existing system might like to know that there is now a shop specialising in selling radiators offering designs which seem to have been given some serious thought by the designers.

As Geoffrey Ward, who runs the shop puts it: "Radiators take up a lot of space in the home and are highly visible. However, they seem to be the one product that has been ignored so far as design is concerned.

"There are a few manufacturers who make superbly efficient radiators which not only give out more heat per square inch than conventional radiators but actually look attractive, too . . . . we will be selling those at Bisque."

Bisque, which is to be found at 244, Belsize Road, London NW6 offers radiators to meet almost every house, style and taste . . . . there are towel/radiators (like the one photographed above right), there are column radiators that can be used as room dividers (as in the photograph below) or against windows. There are radiators so slim and small they almost seem part of the skirting board, there are panel radiators which can be put in either horizontally or vertically. There are modern reproductions of old-fashioned cast-iron radiators that some people now like to use in their Victorian or Edwardian homes.

Anybody interested in the Bisque range and unable to get to the shop personally can write to Bisque for a set of colour leaflets which will give details of all the designs and all the stock sizes. Deliveries can be arranged anywhere in the UK.



Tee for Two

IF YOU have just waved goodbye to your other half as he goes off to spend yet another Saturday working on his golf handicap, have you ever thought of taking the age-old advice—if you can't beat them join them?

It would appear that many women have done just that since, whatever the reasons, women's golf is increasingly popular, especially south of the border. In Scotland, of course, it has long been well-established.

When you consider that golf offers a relaxing, healthy way of spending leisure time, often in beautiful countryside, its popularity isn't so surprising. And, providing one is suitably dressed, it is almost a year round *sport*. The only thing that would deter many golfers from playing would be snow on the ground!

Its big drawback is that it is one of the more expensive sports to take up. But if you have a birthday or anniversary coming up make it an opportunity to acquire your own clubs, or even better get a half-set. A half-set of clubs from Dunlop would cost about £70 while individual clubs cost about £16 each.

Mr Colin Callander, deputy editor of Golf Monthly magazine, recommends the following route to taking up the sport: buy a second-hand half-set of clubs (not easily come by, but keep an eye on the golf magazines). Visit a driving range to practise your swing (just over £1 to hire a small basket of balls). Have some lessons, either at a driving range or a golf club. Have a few games on public courses.

A couple of months' practice is best before attempting to play a private course. Be prepared to persevere. it's worth it in the long run.

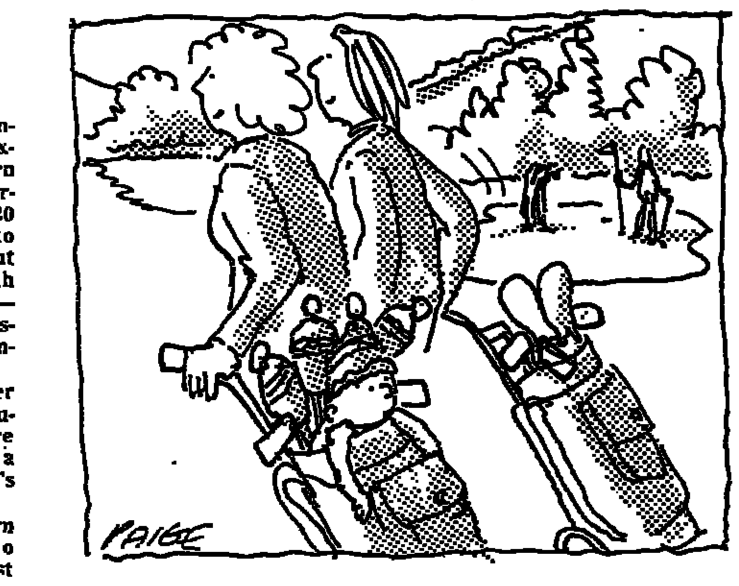
The cost of lessons doesn't seem to vary enormously. The Highgate Golf Club in north London, for instance, charges £10 for an hours' tuition from the club professional, and at Baberton Ladies' Club, in Edinburgh, the price isn't too different with a forty minute lesson costing £7. Lessons with professionals' assistants are a couple of pounds less.

***Group lessons are cheapest.* For £12 you can have one hours lesson a week for five weeks at Finchley Driving Range, London, N12, with a maximum of 10 in a class.**

Joining a club would do a lot to help your game. Usually there is a waiting list and you will normally have to be proposed by a current member. Again this can be expensive, especially in southern England with annual membership fees varying from £120 for a less fashionable club to as much as £400 or £500. But you could probably start with a five-day —week-day only— membership which is obviously cheaper than a full membership.

Most retailers still cater mainly for men. Manufacturers, however, are increasingly producing a women's as well as a men's range.

***Readers in southern* England may be interested to know of a shop catering just for women—Lady Golf in Ewell, Surrey—which opened last April. It stocks clothing and equipment by manufacturers such as Lyle & Scott, Matchplay, Mizuno and Dunlop.**



Finally, a book recently published looks at the history of women's golf and the discrimination which women have often had to face. "Golfing Ladies, Five Centuries of Golf in Great Britain and Ireland," is written by Rosalynde Cossey, published by Orbis and costs £15.

Katrina Lowe

BRIDGE

E. P. C. COTTER

ANYONE CAN play a hand well when the trumps break nicely, and the finesses in the side suits work, but it takes expert play to bring home a contract when the going is really tough. My two hands today are object lessons of care and precision.

The first deal is from an important pairs event:

N.
♠ A 8 6 2
♡ 4 3 2
◇ J 10 6
♣ 8 5 3

W.
♠ K Q 10 5 3
♡ —
◇ 9 7 2
♣ Q 10 9 7 2

E.
♠ 9 7 4
♡ Q 8 7 6 5
◇ Q 8 4
♣ K 4

S.
♠ J
♡ A K J 10 9
◇ A K 5 3
♣ A J 6

West dealt at game to North-South, and after three passes South opened the bidding with one heart, and West overcalled with one spade. North and East had nothing to say, and South reopened with two spades. North now made an intelligent, if somewhat ambitious, response to four hearts, which became the final contract.

Winning West's spade King on the table, the declarer returned the diamond Knave, an essential move. East did not cover, and the Knave held. Now a heart was led and the Knave was successfully finessed, but West discarded a spade, revealing the 5—0 break. South cashed the diamond Ace, and followed with the King, dropping East's Queen. The established five of diamonds came next, on which a club was thrown from dummy, and East ruffed, returning the King of clubs to South's Ace.

The declarer led back the club six, the nine won, and West continued with the Queen, ruffed in dummy, and over-ruffed by East. At this stage East held two spades and the Queen and another heart, while the declarer had Ace, King, ten, nine of trumps. The rest of the tricks belonged to him.

We turn to rubber bridge:

N
♠ 9 8 7 2
♡ A 6 5
◇ 10 6 3
♣ K Q J

W
♠ J 6 5 3
♡ 9
◇ Q 7 5 2
♣ 10 9 7 3

E
♠ 10
♡ Q J 10 8 7 4
◇ A K 8 4
♣ 5 2

S
♠ A K Q 4
♡ K 3 2
◇ J 9
♣ A 8 6 4

With North-South vulnerable, East dealt and bid a weak two hearts. South doubled, West passed, and North said three hearts, showing a fair hand with spade support, and South jumped to four spades.

West led the heart nine. It would seem right to win in hand to avoid a subsequent ruff of the King, but the declarer, after considerable thought, won with dummy's Ace. He cashed Ace and King of spades, finding West with the guarded Knave, and ran the three club honours on the table. He crossed to his spade Queen, cashed the club Ace, on which he discarded dummy's six of hearts, and finally led his heart King, presenting West with a problem which he could not solve.

At this stage the declarer has won eight tricks. If West ruffs the heart King, nothing can prevent South from ruffing a diamond in hand and a heart in dummy to make his contract. If West discards, South leads his remaining heart, and dummy's nine of spades must score en passant. Delightful—this is the kind of dummy play that sets one up for the day.

CHESS

LEONARD BARDEN

IT IS NOT easy to think up a completely new chess project but the organisers of the inter-city twinning competition, which began last October, have worked out an innovatory concept which could well stimulate many more long-distance matches.

Cities or towns of approximately equal size and status from eight West European nations are paired together. Their selected teams discuss their next move and send it daily by phone or telex. The organisers supply a large magnetic display board and give advice on practical details. Eventually, the idea is a European League with promotion and relegation.

Only two British cities, London and Leeds, responded to the initial approach, but it is already clear that their matches have aroused public interest and participation. London's game with Amsterdam is broadcast daily on LBC, which has also introduced a Thursday chess news bulletin. In Amsterdam, the newspaper *Het Parool* publishes every move and readers can phone their suggestions for the next Dutch turn on a special telephone line.

A second round of twinning play is scheduled to start on March 11, with the support of FIDE, the International Chess Federation. Interested chess clubs or communities can get full details from Twinning Chess, PO Box 5620, 1007 AP Amsterdam, Netherlands.

A more traditional form of long-distance play is correspondence chess by post. Here the record of achievement is impressive. Long delays in transmission between opponents from East and West mean that world championships, with semi-finals and finals, take about three to four years to complete. Yet the events are always of a high standard, and the ten world champions since 1955 include four from the USSR and two from the United States.

The latest title contest went to Victor Palciauskas, a 43-year-old American born in Lithuania. He has a PhD in theoretical physics; the previous U.S. winner, Hans Berliner, holds a PhD in computer science. His total was 11/15 (one game unfinished) ahead of Morgado (Argentina) 10½, while Keith Richardson of England scored 9 and 1 unfinished.

Palciauskas, in a *Chess Life* interview, remarked that he regards chess as "a competitive game of skill through pattern recognition." Artistic or creative chess, he says, just means rarer patterns which few recognise. The secrets of success? "Hard work, a very strong desire to win, good end-game play, and a little bit of luck." Here is his important point against a Soviet rival and former champion.

White: Y. Estrin (USSR). Black: V. Palciauskas (U.S.). Evans Gambit (world postal championship 1982-84). 1 P-K4, P-K4; 2 N-KB3, N-QB3; 3 B-B4, B-B4.

Safety first: Estrin has written a reference book on the Two Knights' Defence 3...N-B3.

4 P-QN4, BxNP; 5 P-B3, B-R4; 6 P-Q4, P-Q3; 7 Q-N3, Q-Q2; 8 PxP, B-N3; 9 QN-Q2?

An old suggestion by Keres, but dubious. Stronger and more critical is 9 B-QN5! P-QR3, 10 B-R4 recommended by Unzicker in ECO.

9...N-R4; 10 Q-B2, NxB; 11 NxN, P-Q4!

Black starts to dominate the light squares, and retains the grip till the end of the game. 12 NxB, RPxN; 13 O-O, PxP; 14 QxP, Q-N5.

Posing White a dilemma: an inferior ending, or a risky middle game.

15 Q-K3, N-K2; 16 N-Q4, O-O; 17 P-KR3, Q-N3; 18 P-KB4, P-QB4!

Aiming to control the invasion square Q6. 19 N-N5, R-Q1; 20 N-Q6, N-B4; 21 NxB, QRxN; 22 Q-B3; P-R4!

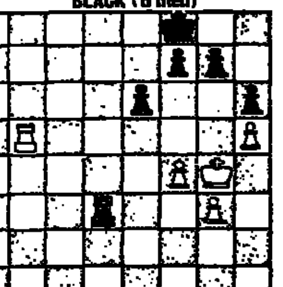
Strengthening his light square control (23 R-Q1, N-R5 or 23 B-K3, R-Q6) so White decides to grab a pawn and hope.

23 QxNP, R-B3; 24 Q-R6, P-B5; 25 Q-R4, R-Q6. Now the KRP falls, for if 26 K-R2, RxP ch! mates.

26 R-N1, RxRP; 27 P-K6, RxKP; 28 QxP, Q-N6; 29 resigns. If 29 Q-Q5, R-K7, while otherwise Black mates by 29...Q-R7 ch; 30 K-B2, R-B6 ch; 31 KxR, Q-N8 [illegible]

POSITION No. 550

BLACK (6 men)

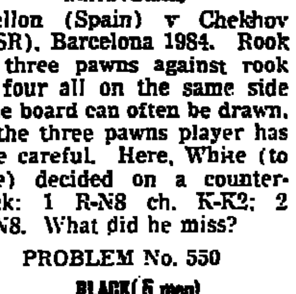


WHITE (5 men)

Bellon (Spain) v Chekhov (USSR), Barcelona 1984. Rook and three pawns against rook and four all on the same side of the board can often be drawn, but the three pawns player has to be careful. Here, White (to move) decided on a counter-attack: 1 R-N8 ch, K-K2; 2 R-KN8. What did he miss?

PROBLEM No. 550

BLACK (6 men)



WHITE (4 men)

White mates in eight moves at latest, against any defence (by V. L. Eaton, 1939). The composer, in the spirit of the times, entitled his puzzle "Take cover." Symbolically the white king is caught in an air raid and has to dodge the bombing bishops to solve the problem.

Record Review/David Murray

Magic from Ravel

Unlike Ravel's other music, his magical songs have never been prominent in the record catalogue. The reason is simple: his five major song-sets (not really cycles but just triptychs, except for the five *Histoires naturelles)* are for different sorts of voice with very different accompaniments—large orchestra, small orchestra, nonet, trio, piano alone. Until recently record companies have been leery of mixed bags, and so Ravel's *vocal music has* appeared piecemeal, sharing odd records with various bedfellows.

This year CBS hit upon the obvious solution: collect all the songs with instruments (ie, all the major sets but the *Histoires*), apportion them to various famous sigers, and have a famous conductor direct everything (even the trio for the *Chansons madécasses!)*. The result, with Ravel's sophisticated Greek folksong-set thrown in for good measure is the deservedly successful M 39023, on which Pierre Boulez collaborates with Heather Harper, Jessye Norman, Jill Gomez and José Van Dam. Rich sound, cool poise—thoroughly seductive. But there is a new riposte from EMI: *all* the Ravel songs on *three* records (EX 27 01393) with the pianist Dalton Baldwin, the conductor Michel Plasson, and two of the same singers—Van Dam and Miss Norman — along with *Teresa Berganz, Felicity* Lott and two seasoned artists who are actualy French.

Tantalising choice! The EMI side-lengths are mean, as you can deduce from the fact that their surplus consists merely of the *Histoires*, the 14 single songs (some very brief) and eight more folksong arrangements. The conspectus isn't chronological, but assigns one record-side (more or less) to each singer, doing the *mélodies* that suit them best. Miss Norman's *Chansons madécasses* are much the same in each version. — impressively light and floated, too cultivated to sound as conversational or as impassioned as the songs should seem; Van Dam's *Don Quichotte* songs are both more intimate and sharper with Baldwin's piano than with Boulez's luminous, over-smooth orchestra.

At the risk of undervaluing the fine Boulez record, I have to insist upon the virtues of the EMI album. Its extra scope isn't a minor bonus, for the one-off songs reveal illuminating connections with more of the ironic *Histoires*, richly characterised here by Gabriel Bacquier, are unique and irreplaceable.

Even in miniature, Ravel's songs are mostly dramatic; Boulez prefers to be hieratic. Miss Harper is cool and lovely in the ravishing Scheherazade, and scores points for style over Miss Berganza, but it's the latter who captures the narrative suspense and the essential erotic charge. With Boulez's glacial tempi and Miss Gomez's studied enunciation, the great Mallarmé triptych is marmoreal; with *Plasson's easier flow*, Miss Lott brings the exquisite lyrical curves to life. For the *Greek songs Van Dam adopts* a peasant bluntness (his repeated "Tout gai!" is downright grim), where Mady Mesplé's birdlike charm (with piano alone) is far closer to Ravel's manner.

These are partly imponderable matters of taste, and both collections offer potent rewards. The latest Ravel celebration by Charles Dutoit and his ultra-refined Montreal Symphony (Decca 410 254-1) brooks no quibbles: gorgeous sound, faultless idiom, a wealth of individual touches. The *Valses nobles et sentimentales* and *Le Tombeau de Couperin* are vitally imaginative within civilised constraints; the complete *Ma Mère l'Oye* ballet is unprecedentedly vivid and persuasive.

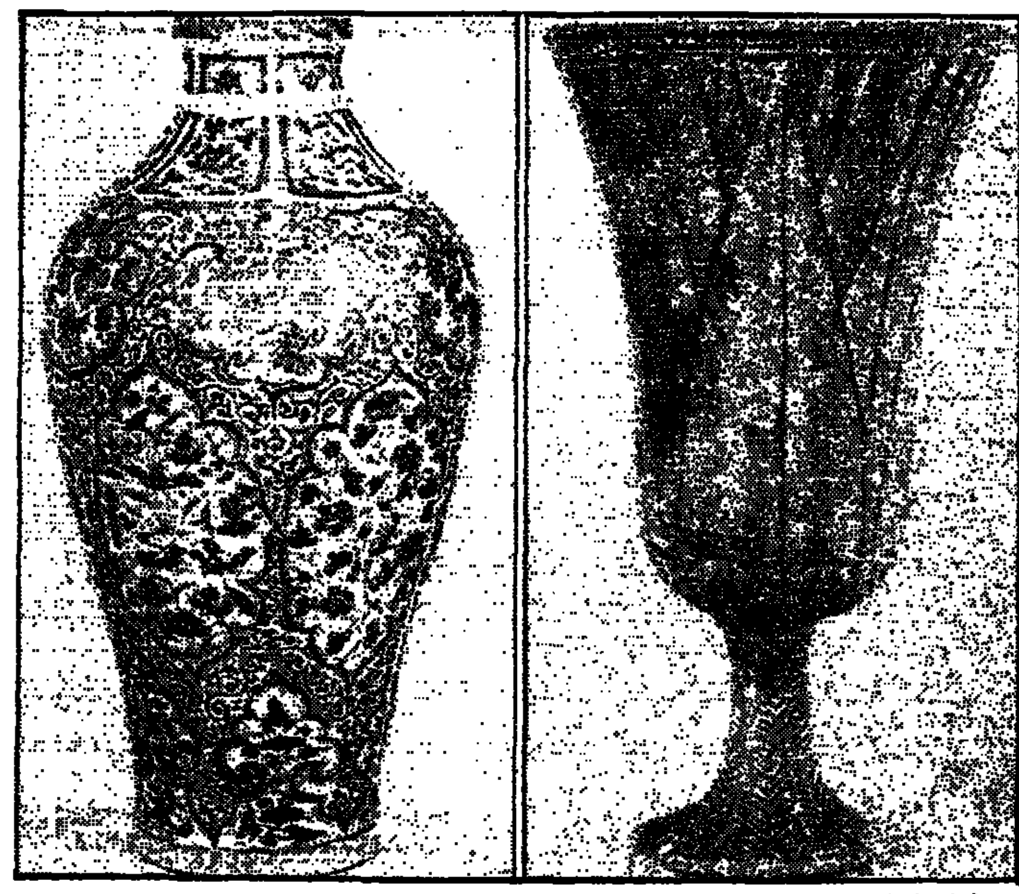
Two excellent new versions of Falla's evergreen *Nights in the Gardens of Spain* have distinct approaches and different couplings that may matter more. Alicia de Larrocha with Frühbeck de Burgos and the LPO (Decca 410 289-1) is sharper-etched and more commandingly brilliant; Aldo Ciccolini's gentler musicianship (with Bátiz and the RPO on EMI, ASD 165 3881) leaves bigger gestures to the orchestra. But Ciccolini's fill-up is the young Albéniz's first Piano Concerto, Moszkowski-ish but a fascinating bit of history for Albéniz-lovers, whereas de Larrocha offers a Halffter concerto-fantasy on Albéniz's solo *Rapsodia española* and the suave, forgettable *Rapsodia sinfónica* by Turina.

Szymanwski's appeal has much in common with Falla's: hints of exotic mystery, equal parts of ethnic fervour and Gallicised finesse. The devoted Polish performances of his *Stabat Mater*, the Litany to the Virgin and a rare cantata on EMI (EL 27 0027-1) will feed the cult. There is another kind of revelation on *Conifer (CFRA* 122), where Fauré's Requiem has been faithfully restored to its chamber proportions by John Rutter. Nothing is lost but adipose tisue; this 1893 version is self-sufficient and wonderfully transparent, and the performance is a model of grace and tact.

French thriller film festival

The French Institute in South Kensington is holding a festival of classic French thriller films from January 18 to 24. All are subtitled in English and there will be two showings a day, at 7 pm and 9 pm.

The programme includes Clouzot's Quai des Orfevres (1947), Renoir's La Nuit du Carrefour (1932) and Tarride's Le Chien Jaune (1932), in which the ubiquitous Inspector Maigret makes his first film appearance. The festival also features a video on Georges Simenon at 6 pm on January 22, 23 and 24.



A lotus chalice with turquoise glaze from Egypt (1100 BC) and a 14th-century Yuan jar, *both in the Lotus and Dragon exhibition at the British Museum*

A murderess's imperial good taste

An Imperial Chinese courtesan, of the late seventh century, Wu Zetian, had the good taste to adore peonies. She also had the good sense to murder her rivals and become a Tang Empress. Plant-Collectors and gardeners were sent scurrying to fill the palace walks with her favourite flower. Artists were quick to take up the theme, so for ever after the peony's heavy-petalled opulence has spilled across Chinese porcelain, silks and paintings. *The Lotus and the Dragon* (until May 5) shows that this is too simple a view of the history of Chinese ornamental motifs. Royalist interpretations will do to explain a craze for tartan, corgis and low-slung taffeta gowns, but not the flower, fauna, scrolls and clouds which we thoughtlessly enjoy in Oriental art.

Unfortunately, to really enjoy this exhibition you need an impressive mastery of the rise and fall of empire from the ancient Egyptians to the Ottomans. You should know that a *guilloche* is neither worn nor eaten. Above all, since this is really the show of the book, you must pay £12.95 for Jessica Rawson's *Chinese Ornament.* Serious collectors of Chinese art will certainly need this well-illustrated study for their libraries. Those with a less professional interest will find that, *like the exhibition, it is* hard work. You had best read it beside a wall-map and seated in the yogi's famous lotus pose, to aid your concentration. This is a pity because the thesis is fascinating and could not be better designed to appeal to the armchair traveller.

Hold on to your hat (suitably decorated with volutes, half-palmettes and *guilloches)* and I will try crudely to summarise Jessica Rawson's argument. In the beginning were the lotus and papyrus, represented in Egyptian art from the third millenium. They were taken into Mesopotamia and the Aegean where they evolved into the palmette and, crucially, the running scroll. With happy disregard for the botanical niceties, the Greeks in the 5th century BC added spiny acanthus leaves to the scroll design.

Alexander the Great's conquests and his Hellenistic successors, took the bouquet of classical ornament east to Central *Asia* and *India.* From there they passed into Chinese art, contemporary with the introduction of Buddhism which gave the lotus greater prominence as the symbol of *rebirth and purity.* The somewhat wilting leaf scroll was enlivened with a menagerie of beasts (deer, pheasants, so-called phoenix, fish and dragons) and, of course, the peony. Now the tide turned west and took these motifs to Iran and Turkey. Even then, as some pieces of English blue-and-white pottery remind us, the journey was not nearly ended. At this point I was led to reflect sourly on the beastliness *of so much modern* design.

No one need doubt that impeccable scholarship still resides in British museums. The selection of objects from the BM and the V & A is a reminder of the fabulous holdings of Oriental art which this country is so fortunate to possess. The problem with this show is that when there is so much scholarly argument to ingest, the objects themselves slip out of focus. Physical as well as mental endurance is severely tried: you need a back constructed *like* an *anglepoise* lamp. But before awarding this the wooden spoon for design, it should be said that the room is left over from an earlier exhibition. This explains why the captions are waist-high; but not why they are printed on grey card, nor why they so frequently run in the opposite direction from objects which they describe. Is this a metaphor for the dizzying movement of ornamental themes between East and West? As long as such exhibitions are free, it is merely a pity, rather than a crime, when the organisers take such a lofty view of the public.

There are magnificent things to se here. The Chinese silver ware and the three red underglazed pieces are memorable. But for me it was the Iznik pottery in the last room which broke through the mental indigestion. One plate sums up all the beauty of a Turkish spring in its pattern of prunus blossom, pinks and tulips. To think thus is disobedient since the exhibition repeatedly urges that these glorious Oriental flowers come from the mind and not from nature.

Patricia Morison

Wonderful Goons

For the record, Ken Bruce, in what has so long been Terry Wogan's spot in the morning on *Radio 2, is only like Terry* Wogan to the extent that both of them have quiet, likeable voices and are given nothing significant to say. I hope he will be able to follow Terry Wogan into somewhat more satisfying work in due time.

The *Radio Times* made a tactical mistake when it compared *The Wow Show* with *The Goon Show.* They gave us a *Goon Show* on Sunday morning on Radio 4, in the spot labelled "Smash of the Day," a particularly good one with an almost coherent script by Spike Milligan and Eric Sykes. I had a tape of *The Wow Show*, broadcast at 11.30 pm on Saturday on the same channel, so I could hear the two things side by side, and I'm afraid *Wow* has a long way to go before it can really compete with *Goon.*

The Wowsers (Mark Arden, Lee Cornes, Mark Elliott and Stephen Frost, who sound like children of the Footlights), also had a continuous, if not coherent, script. It was about two boys who ran away from the circus to join their homes and were pursued by Vicious O'Thud with the intention *(if I got it* right) of selling them to the Alaric McBotthrob Home for Lost Boys. The pursuit took place partly in an air balloon, from which the boys were spotted bricked up in a chimney. So many sub-plots (acknowledged as such by the players as they occur) bumped into one another that I didn't extract any clear situations or sharp characters. But there was invention at work all right, and I think the players may produce something better soon. One thing they, or their director Jamie Bix, must beware of is studio laughter and applause at items wholly unperceivable to the listeners.

Radio 4 produced a dramatic contrast at the start of the week. Saturday Night Theatre was as characteristic of its slot as could be imagined. R. D. *Wingfield's Cover Up* was about police activity — a bank raid, a supermarket raid, a drugs snatch, a kidnapping, a wicked MP, naughty coppers, an unexpected villain. On Monday, Tony Foytik's *Winnie Holden's Angel* was full of clichés of another age, indeed another century.

Mr Wingfield's police were predictable mostly for being police on Saturday Night Theatre, but it was less predictable that they were all nasty in one way or another, except for the Sergeant's driver, that they *hated one another, that some of* them traded information to criminals, though, as it turned out, sometimes from the goodness of their hearts. Detective addicts should have their ration, and *Cover Up* was ingenious and recently played.

Mr Foytik's Monday Play offered a less everyday plot wrapped up in writing so poor that it was all I could do to stay with it to the end. It was his first play — like his hero, he is a gardener — but the director, Vanessa Whitburn, is able and experienced, and she must have realised how laughably banal were those stock characters, the retired major who puts on his old Army uniform to bully the workers in, the anarchist gardener with a heart of gold and left-wing political ambitions, the tearaway heir to the property.

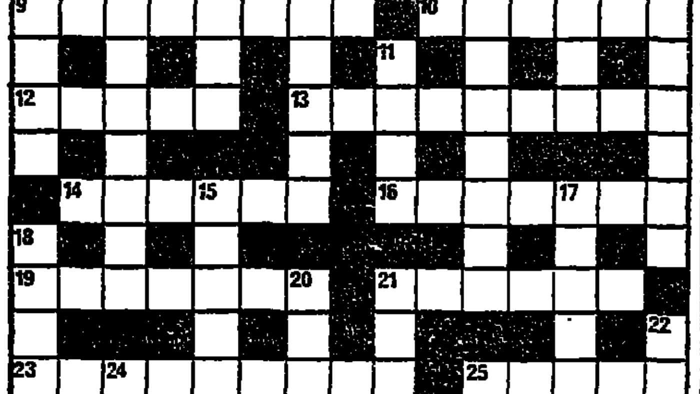
The gardener's little girl Winnie, notorious for disobedience and lawlessness, dreams she sees *an* angel. She tells everyone about it, thinking the angel to have been real, but naturally no one believes her, until one day she is cornered in a shed by the wicked heir, who has a weakness for 11-year-olds, and tells him. And he believes her and stops trying to rape her, indeed sees an angel of his own. Everyone is involved in a universal happy ending conceived on the gardener's principles. The only one of the players who had a hope of surmounting the cliché-studded lines was Katy Carey as Winnie. I thought she was smashing, and I was *sorry not* to be able to watch her on television on Wednesday in *Anna of the Five Towns.*

I'm sorry, God, on Radio 4 on Wednesday evening, was a curious item. A tough crook with a long record confessed all his misdeeds, mostly GBH by the sound of it, but a bit of robbery, a bit of burglary, shooting a bloke when the price was right. Then on Christmas Eve in a Manchester gaol, he heard the 23rd Psalm singing itself in his heart, and without any teaching he has gone straight ever since. It was like a dramatic reconstruction of an old-time Salvation Army case. I could have done with some comment by Gerald Priestland and his *Case against God* chaps. "Not the righteous, but sinners, to repentance," they might quote, but isn't it hard on the righteous?

RADIO

B. A. YOUNG

F.T. CROSSWORD PUZZLE No. 5,616



A prize of £10 will be given to each of the senders of the first five correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solutions will be given next Saturday.

Name ....

Address ....

....

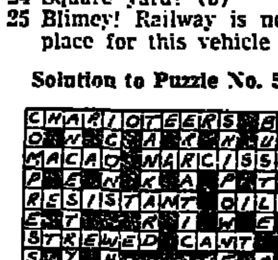
ACROSS

1 PC 30 suffering? Take three tablets together (8)
5 Pleasant wooded areas for conductor (6)
9 Old Nick in America (8)
10 Back an Aintree favourite to make a killing (6)
12 Curmudgeon shy after clever opening (5)
13 Three-point landing in Leeds, for example? (9)
14 Wading-bird, losing tail, is resentful (6)
16 Brown spot on a tanner (7)
19 Garden-plant proposer seeks when shopping around? (7)
21 Tar delivered elsewhere (6)
23 Paddy's publication for consumers? (4-5)
25 Nocturnal climber of the wall in Paris (5)
26 Time bottoms are put into best suit (6)
27 Carries family that is on guard (8)
28 Variety character (6)
29 Colour of heads on first day of Lent? (4-4)

DOWN

1 Abstraction from nectar mixture (6)
2 Impulsiveness at home mock-auction (9)
3 Unqualified sum (5)
4 Licence to show paintings in dear French surroundings (7)
6 Bearish condition of hairy head (9)
7 Recorder to refer to—nothing on it! (5)
8 Street patrolman from out of town (8)
11 Polish enthusiast (4)
15 Set of exam questions in chemistry? (4-5)
17 Warwick, the ruler manufacturer? (4-5)
18 Furniture-maker as throne repairer (8)
20 Putting off? People get these of course (4)
21 "Without a Song"? Stuffy! (7)
22 Stylish finish in Test (6)
24 Square yard? (5)
25 Blimey! Railway is not the place for this vehicle (5)

Solution to Puzzle No. 5,615



SOLUTION AND WINNERS OF PUZZLE NO. 5,610

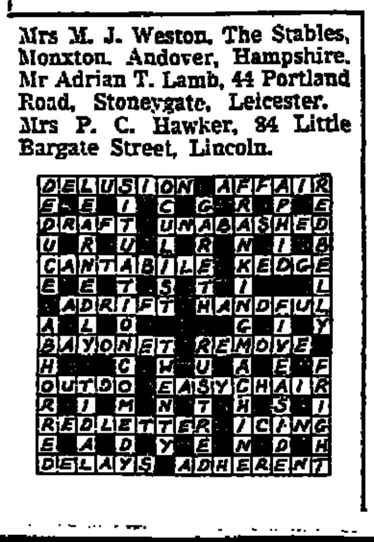
Mrs D. H. Cooper, Thoreaudene, Redcliffe Bay, Portishead, Bristol.

Mrs M. F. Lloyd Davies, The Old Bakery, Elmdon, Saffron Walden, Essex.

Mrs M. J. Weston, The Stables, Monxton, Andover, Hampshire.

Mr Adrian T. Lamb, 44 Portland Road, Stoneygate, Leicester.

Mrs P. C. Hawker, 84 Little Bargate Street, Lincoln.



BBC 1

† Indicates programme in black and white

8.30 am The Perishers. 8.35 The Littlest Hobo. 9.00 Saturday Superstore. 12.12 pm Weather.

12.15 pm Grandstand, including 12.50 News Summary; 1.00 and 3.30 Skiing from Kitzbuehel; Racing from Leopardstown 1.25, 1.55 and 2.25; 2.10, Ice Hockey—Nottingham v Dundee in the Heineken League, from Nottingham; Table Tennis—the Charles Church Championship, from Wembley; Final Score.

5.05 News.
5.15 Regional variations.
5.20 Doctor Who.
6.05 Jim'll Fix It.
6.40 Little and Large.
7.15 One by One: "Parting of the Ways."
8.05 ‡Dynasty.
8.55 News and Sport.
9.10 Saturday Action Movie: "Skyjacked," with Charlton Heston.
10.50 Match of the Day.
11.40 "Last of the Red Hot Lovers," Alan Arkin as fish restaurant proprietor looking for an extra-marital fling.

Regional Variations:

Wales—5.15-5.20 pm Sports News Wales.

Scotland—5.15-5.20 pm Scoreboard. 10.50-11.40 Sportscene.

Northern Ireland—4.55-5.05 pm Northern Ireland Results (opt-out from "Grandstand"). 5.15-5.20 Northern Ireland News. 1.15-1.20 am Northern Ireland News Headlines.

England—5.15-5.20 pm London—Sport. South West (Plymouth)—Spotlight Sport and News. All other English regions—Sport Regional News.

BBC 2

10.10 am Open University.
1.35 pm Micro Live.
2.25 Saturday Cinmea: Elvis—The Movie. Kurt Russell as Elvis Preseley in 1978 TV movie.
5.10 World Darts: Final of the Embassy World Professional Championship. Live.
7.15 A Vous La France!
7.40 News and Sport; Weather.
7.55 Rugby Special. Highlights of today's match between Bristol and Coventry.
8.45 100 Great Sporting Moments. Ian Botham.
9.10 The Saturday Alternative: L'Elisir D'Amore. Sir Geraint Evans as Dulcamara in Donizetti's opera.
11.20 The Cobblers of Umbridge.
11.50-12.40 am World Darts. Highlights.

BBC 2 WALES: †9.10-11.20 pm "Not As A Stranger." Robert Mitchum, Olivia de Havilland, Frank Sinatra and Gloria Grahame.

LONDON

6.15 am TV-am Breakfast programme. 9.25 LWT Information. 9.30 Cartoon Time. 9.35 Scooby, Scrappy and Yabba Doo. 10.00 The Saturday Starship. 11.20 Space 1999.

12.15 World of Sport including 12.20 World Cup Ski-ing—The Mens Downhill from Kitzbuhel, Austria; 12.45 News; 12.50 On the Ball; 1.20 Wrestling from Keighley: 1.40 The ITV Four. Racing from Newcastle at 1.45, 2.15 and 2.45; from Leopardstown 2.30 (Irish Sweeps Hurdle); 1.55 Wrestling; 3.00 Snooker—The Mercantile Credit Classic from the Spectrum Arena, Warrington; 3.45 Half-time Soccer Round-up; 4.00 Snooker; 4.45 Results.

5.00 News.
5.05 Blockbusters.
5.35 The Disaster Movie: "Express to Terror."
7.15 All Star Secrets.
7.45 T J Hooker.
8.45 The Price is Right.
9.45 News.
10.00 Aspel and Company.
10.45 London News Headlines followed by International Snooker—The Mercantile Credit Classic from the Spectrum Arena, Warrington.
12.15 am Bellamy.
1.00 New from London.
1.55 Night Thoughts with Jan Pickard.

CHANNEL 4

1.05 pm Everybody Here.
1.30 The Making of Britain.
†2.00 "Susan Lenox, Her Fall and Rise," Greta Garbo and Clark Gable.
†3.25 "As You Desire Me."
4.45 The Plain Man's Guide to Advertising.
5.05 Brookside.
6.00 The Other Side of the Tracks.
7.00 News Summary followed by Seven Days: with the Bishop of Sheffield, the Rt Rev David Lunn.
7.30 Shape of the World: The political future of the world.
8.15 The Sonnets of William Shakespeare.
8.30 Saturday Live.
10.00 Hill Street Blues.
†11.00 Nightmare Alley with Tyrone Power.

SC4 WALES

2.40 pm A Week in Politics. 3.25 "Sentimental Journey." 5.10 Don't Say Goodbye Miss Ragtime! 6.05 Where in the World? 6.35 The Avengers. 7.30 Newyddion. 7.45 Sion a Sian. 8.15 Noson Lawen. 9.15 Y Maes Chwarae. 10.05 Feature Film: "La Verite" (The Truth) (French with English subtitles).

REGIONS

IBA regions as London except at the following times:—

ANGLIA
11.20 am Battlestar Galactica. 12.15 am At the End of the Day.

BORDER
11.20 am Chips.

CENTRAL
9.25 am Adventures of the Blue Knight. 11.20 Chips.

CHANNEL
9.57 am Puffin's Pla(i)ce. 11.20 Tarzan. 5.05 pm Puffin's Pla(i)ce. 5.10 The Smurfs.

GRAMPIAN
11.20 am The Fall Guy: "Sting of the Wasp." 12.15 am Reflections.

GRANADA
11.20 am The Fall Guy. 12.15 am The Saturday Film: "The Fortune."

HTV
11.20 am The Little House on the Prairie. 12.13 pm HTV News.

SCOTTISH
11.20 am Battlestar Galactica. 12.15 am Late Call.

TSW
9.57 am Gus Honeybun's Magic Birthdays. 11.20 Freeze Frame. 12.12 pm TSW Regional News. 5.16 The Smurfs. 12.15 am Postscript.

TVS
11.20 am The Green Hornet. 11.45 Birdman and Galaxy Trio. 12.15 am Company.

TYNE TEES
9.25 am Morning Glory. 9.55 Young Lookaround. 11.20 Pop Goes New Year. 11.50 Batman. 12.13 pm North East News. 5.05 North East News. 7.45 The *Price is Right.* 8.45 Hunter. 12.15 am Post's Corner.

ULSTER
11.20 am Wild, Wild World of Animals. 11.45 The Jacksons. 5.03 pm Ulster News. 9.57 Ulster News and Weather. 12.10 am News.

YORKSHIRE
11.20 am Battlestar Galactica. 12.15 am That's Hollywood.

BBC RADIO 1

(S) Also VHF Stereo

6.00 am Mark Page. 8.00 Peter Powell. 10.00 Dave Lee Travis. 1.00 pm Lenny Henry (S). 2.00 Paul Gambaccini (S). 4.00 Saturday Love (S). 6.30 In Concert (S). 7.30 Phil Kennedy. 8.30-12.00 Dixie Peach.

BBC RADIO 2

6.00 am George Ferguson (S). 8.05 David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 11.02 Sports Desk. 1.00 pm The Impressionists. 1.30 Sport on 2: Football Prospects: Racing from Ascot at 2.10, 2.40; Athletics: From the AAA Indoor Championships at Cosford; Hockey: Women's European Championship at Crystal Palace; Football: Commentary from 3.55 pm on one of today's Canon League matches; Rugby Union: Preview of Five Nations' Championship; 5.00 Classified Football results; 5.30 Athletics/Rugby; 5.40 Tennis: Volvo Masters; 5.50 Pools news and football results. 6.00 Folk on 2. 7.00 Beat the Record. 7.30 Vienna, city of dreams (S). 9.30 Big Band Special. 10.02 Sports Desk. 10.05 Steve Jones (S). 12.05 am Night Owls (S). 1.00 Patrick Lunt (S). 3.00-4.00 Wally Whyton (S) Country Concert.

BBC RADIO 3

7.00 am News. 7.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.25 BBC Philharmonic Orchestra in Italy (S). 1.00 pm News. 1.05 Mozart and Tchaikovsky (S) String quartets. 2.00 Verdi's Operas: Simon Boccanegra (S). John Matheson conducts the original 1857 version with Sesto Bruscantini. 4.25 Baroque Chamber Music (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Carl Rutti (S). 7.10 An Orchestra of Violoncellos (S). 7.45 Karlheinz Stockhausen: Music and Machines (S). A performance of "Stimmung" by Singcircle (live relay). 9.05 Heart of a Man. 9.15 BBC Welsh Symphony Orchestra (S). 10.15 Innsbruck Radio Prize (S): The international competition for early music. 11.00 Norway After Greig (S). 11.57-12.00 News.

BBC RADIO 4

7.00 am News. 7.15 On Your Farm. 7.45 Perspective. 7.50 Down To Earth. 7.55 Weather; Travel. 8.00 News. 8.15 Sport on 4. 8.48 Yesterday in Parliament. 8.57 Weather; Travel. 9.00 News. 9.05 Breakaway. 9.50 Newsstand. 10.05 Talking Politics: "Winner Takes All?" — Ivor Crewe, Professor of Government at Essex University, assesses the role of political opposition. 10.30 Pick of the Week (S). 11.30 From Our Own Correspondent. 12.00 News: Money Box. 12.27 pm The News Quiz. 1.00 News. 1.10 Any Questions? 2.00 News; The Afternoon Play (S): "David March as Dracula," by Bram Stoker. 3.00 News: A Lexicon of Laughter (S). 3.30 Balloon Tyder (S). 4.15 The Making of Mrs Beeton: Household management pioneer. 4.45 A Sideways Look At. 5.00 Wildlife (S). 5.25 Week Ending (S): Satire. 5.50 Shipping Forecast. 5.55 Weather; Travel. 6.00 News; Sports Round-up. 6.25 Desert Island Discs (S): Tom Stoppard. 7.05 Stop the Week with Robert Robinson (S). 7.45 Baker's Dozen (S). 8.30 Saturday Night Theatre (S). 10.00 News. 10.15 You The Jury (S): The motion: "Students should pay for their own higher education." 11.00 Evening Service (S). 11.15 The Great Liners. 11.30 The Wow Show (S) presents . . . "For Your Hives Only." 12.00-12.15 am News; Weather.

RADIO LONDON

...7.32 am Good Fishing. 8.04 London Wekend. 8.30 The Magic Carpet Company. 9.03 Inside London. 9.30 Corridors of Power. 10.02 All That Jazz. 1.30 Jeff Young's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 6.00 Guideline. 6.30 Big City. 7.30 Hold the Front Page. 8.00 Eastern Ear. 8.30 Good Fishing.

LBC

7.00 am AM with Peter Deeley. 10.00 Clive Bull's Fix-it Phone-in. 1.00 pm Time Off. 2.00 Sportswatch. 6.00 News. 6.30 Cinema Screen. 7.00 Suresh Joshi. 9.00 Sight Unseen. 9.30 The Saturday Documentary. 10.00 Nightline.

CAPITAL

7.00 am Dave Cash's Breakfast Show. 10.00 Pick of the Pops Take Two with Alan Freeman. 12.00 So You Thought They Were Hits? 2.00 Mick Brown. 6.00 Greg Edwards' Soul Spectrum. 8.00 David Rodigan's Roots Rockers. 11.00 Mike Allen. 1.00 am Fusions with Steve Collins.

CHESS SOLUTIONS

Solution to Position No. 550

1 R-N8 ch, K-K2; 2 R-KN8, R-Q1! 3 RxP, K-B1; 4 R-R7, K-N1; 5 RxRP, K-N2; 6 K-N5, R-Q4 ch wins.

Solution to Problem No. 550

1 K-N8, B-B5 ch; 2 K-B8, B-B8; 3 K-K8, B-N4 ch; 4 K-Q8, B-B8; 5 K-B8, B-R3 ch; 6 K-N8, B-B8; 7 K-R8, B any; 8 RxRP mate.

Antony Thorncroft on saving an artistic shrine

Bloomsbury in Sussex

CHARLESTON, the Sussex farmhouse where Vanessa Bell and Duncan Grant lived for almost half a century, is the attractive face of Bloomsbury. While it is mainly the fault of modern publishers that Virginia Woolf should today be as famous for her frigidity as for her novels, Lytton Strachey for his homosexuality as for his historical essays, and Carrington for her suicide as for her paintings, there is something disagreeable about literary Bloomsbury. The leading personalities seem a self-satisfied clique of "progressives" who mocked the past while failing dismally to create much happiness in their rational present.

But Charleston is different. As soon as they moved there in 1916 Vanessa Bell (Virginia Woolf's sister) and Grant set to work to create an artistic shrine. Virtually every surface was painted, including the furniture. They were responsible for designing and decorating curtains and cushions, lamps and pots, bedheads, carpets and fireplaces, taking time off only to paint each other and their friends. Visitors made their contribution, Roger Fry designing the dining room fireplace, as did the children, Quentin Bell, Vanessa's son by her husband Clive, providing ceramic decorations, and Angelica Garnett, her daughter by Grant, devising her own bedroom.

What makes Charleston important is that the artistic decoration of the house began at a fascinating time, when post-Impressionism was starting to take hold in advanced British art circles and when art was expressing itself in utilitarian objects as much as on canvas. But on top of this strong sense of original period was added the artistic development of the next generation. There can be few houses in which art and everyday living were so intertwined.

And always there were visitors. It was in this environment that Maynard Keynes wrote *The economic consequences of the peace*, and Strachey parts of *Eminent Victorians*. Later guests included T. S. Eliot, Benjamin Britten, Frederick Ashton and Kenneth Clark. After the death of Vanessa Bell in 1961, Duncan Grant carried on working until his death, aged 93, in 1978.

By then Charleston was in a very bad state: In the final years everything had sunk into decrepitude. Fortunately, on top of the Bloomsbury associations there was a growing appreciation of the quality of British art in the first three decades of the century. In 1980 the Charleston Trust was formed to preserve the house and its contents. Over £400,000 has been raised towards the restoration of Charleston. The National Trust has agreed to take on the responsibility for the house provided it receives an endowment of £740,000. Now a drive is on to raise this sum by next spring when Charleston should be open to the public.

To promote the importance of Charleston, and to raise a little more money through the sale of catalogues, a loan exhibition of works by artists associated with the house is on show at Sotheby's until January 21 (admission free). More than anything else it contributes to establishing Bell and Grant as important artists. They were incestuous in that the finest paintings on view are Vanessa Bell's portrait of Duncan Grant (rare because he disliked being painted although he often returned the compliment, even portraying Vanessa on her death bed); her own, slightly flattering, self-portrait of 1958; and Grant's early, 1917, pose of Vanessa at Charleston, surrounded by objects which will be open to public view next year. There is a fascinating up-date, a Duncan Grant portrait of Vanessa in 1955, in the same corner, which depicts the changes in Charleston — the painted walls, the tiled table by Quentin Bell — over the years.

Works by Bloomsburyites are also on view, including Roger Fry's 1918 portrait of Edith Sitwell, when she still looked interesting rather than odd, and a revealing portrait by Dora Carrington of her sister Catherine, suggesting that in modern times Strachey might have sacrificed himself to Carrington rather than vice versa.

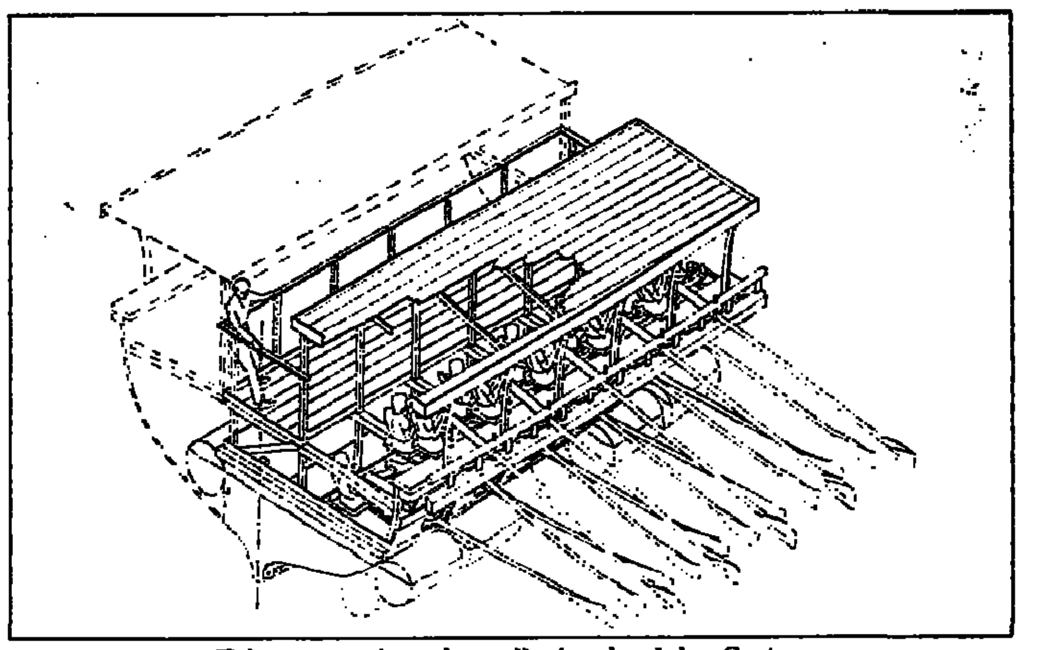
Five of the paintings come from the collection of the Duke of Devonshire, confirming him as the leading aristocratic patron of the arts in the country, but the majority come from the Charleston Trust which means that they will be hung in the house when restoration is complete.

It should make for a happy marriage of history and art. Angelica Garnett and Quentin Bell have been generous in their donations and the aim is to restore Charleston to its apogee in the 1940s, when it might have been out of fashion but was enjoying a second cultural wind. Everything is to be repaired to a pristine condition. There will be six Omega chairs in the dining room where a portrait of Lytton Strachey will also hang. All the carpets, fabrics, and ceramics will be revitalised; Bloomsbury will live again in the pictures and 20th century British art in the furnishings. The garden will bloom.

Unlike most museums Charleston will be recreated while memories remain fresh, the actors still on call. It is a worthy cause and gives some justification for Bloomsbury. Its literary side might be obsessed with destroying the past but its painters were creating the future, a future which, in their own lifetime, entered into art history.

A portrait of Duncan Grant by Vanessa Bell

Charleston, the Downs farmhouse



Trireme seating plans: Design by John Coates

The trireme experiment

Gerald Cadogan reports on the revival of shipbuilding methods of 1,500 years ago

THE TRIREME was the dreadnought of the ancient world but none has been found as a wreck, except for the ram of one from Athlit in Israel. But if we cannot find one, we can build one, which is the archaeological experiment under way now in Lowestoft and Coventry. It is the first trireme for 1,500 years and is designed by Mr John Coatess, the retired naval archittect.

With triremes, the Greeks beat the Persians at the battle of Salamis in 480 BC. They made it possible for the Athenians to hold their Aegean empire, as historians Herodotus and Thucydides tell us. The trireme sheds in the Peiraeus on which Athens' defences depended were connected integrally with the city by a walled corridor, which made Athens virtually an island. Her triremes would have been about 33m long and 5.5m wide. Their engine was 170 oarsmen sitting in three banks.

It is an unusual arcaeological ex—periment but the only truly practical way to learn about triremes. A 5.5 metre trial section is being built now, to be followed soon by the whole ship which will be built in Greece unde rthe supervision of the Greek Navy. The Trireme Trust ,which is sponsoring the work here, hopes to float the trial section at Henley this summer, while the whole ship will be used and shown in the wine-dark waters to which it belongs. The word is Roman but the trireme is a Greek invention that the Romans adopted. Its Greek name was *trieres*. The captain was called the trierarch.

How was the crew actually packed in? Where were their benches? ow fast could they row, and for ho wlong? How quickly could they stop and turn? How were the ships designed and built? Besides the 170 oarsmen, there were about 30 others to be fitted in, including marines to fight from on top and the petty officers who would have been essential to ensure that so many men stacked in such a small space could use their oars — 4 or 4.2m long — efficiently. The experiment will tell us much about such fundamentals of ancient naval power. The answers will be practical. Many untenable theories will walk the plank.

Mr Coates has worked on the design of such ships as the County class guided missile destroyer, the purpose of which is the same as that of the triremes many centuries ago. The project adds his experience of modern warfare to the research of classicists and archaeologists. The collaboration is taking the trireme out of the library and museum and putting it back on the sea.

Alyl explanations are proving interdependent. The classicists, led by Mr J. S. Morrison, the recent president of Wolfson College, Cambridge, produce references from the ancient authors, and the archaeologists produce ancient shipwrecks. Each group needs the expertise of the other to interpret their material, and both need naval experts.

The first literary references belong to the later 6th century BC, a generation or two before thewars of the Greeks and the Persians. By that time, a fleet of triremes meant a first class naval power.fi The first definite representations are about a century later.

Through the ships that have been excavated are virtually all merchantmen, they help in the details of construction of the triremes. The latest to be dug, at Uluburun off Turkey, shows that the standard shell-first method of the ancients for building a ship goes back to the 14th century BC.

No part of a trireme has survived, except for the bronze-clad ram from Athlit, because they did not carry ballast.

They would have floated when disabled, and could have been takena way by the victorst o be repaired or cannibalised.

The triremes were superb fighting ships of great speed and manoeuvrability. They could start, stop and turn quickly, and ram. Theyh ad immense longitudinal strength and neregy. Like any good warship or god weapon, they were "on the edge of possibility," Mr Coates said. Their long timbers had to be carved above the keel, rather than just cut, and were the keyt o turningt he energy of 170 men into speed. There was always the danger of the ship breaking in the middle, so a highly taut rope from stemt o stern held all together.

In the displacement of 50 tonnes the hull took up about half and the "engine" a further third and occupied nearly 90 per cent of the hull. The wetted area per man—is a way of gauging the resistance of friction—would have been less than with a modern racing shell. The trireme would, in a way, have been an offensive version of a shell, with 21 times the number o foarsmen.

In the interaction of the different elements of the design, Mr Coates is most aware of how little matters have changed. It is impossible on a warship to have all one wants—whether speed, defensive or offensive strength, or free space. A trireme had little protection and no free space. People must have been as close as on a submarine but unlike submarines they generally beached the ships at night when on patrol. This caused a real danger of being caught napping on shore and of the ship's being destroyed. So the men had to be able to scramble, embarking at speed and in proper order, 85 oarsmen a side.

The Aegean sea trials will test the design and see how quickly the men can embark and how long they can row for, and how much the trireme's sails help. When cruising, the crew would have taken turns to rest and the sails would have been used.

When the Athenians rescinded their decision to execute the Mytileneans for secession, a trireme was sent post haste across the Aegean (about 19 miles) to catch the trireme with the original order, which had a 24-hour start but was dawdling. Rowing through the night by watches, and kept going on barley mixed with wine and olive oil, the second ship arrived in hte nick of time The decree had just been read and the massacre was about to happen.

Will, fitness and oxygen supply make the most of a design, as we see in the Boat Race. The test is already showing the importance of discipline in the arrangement of the men, and the skill of the ancient shipwrights, and will reveal very much more in the collaboration of two countries of seafarers.

The trial section will cost about £40,000 and the whole ship up to £500,000. The Trireme Trust needs money, as well as bodies, and a calm sea.

The Trireme Trust c/o Air Vice-Marshall Peter Turner, Wolfson College, Cambridge.

Pheasant way to kill a quiet afternoon

COUNTRY NOTES

JOHN CHERRINGTON

THERE WAS a time when I enjoyed a day's shooting, particularly rough shooting, with a couple of friends and a dog to go through the bushes. It was a particularly effective way of keeping the rabbit population down. Although ferreting and gassing are effective against those living underground, there are always some who spend their lives living on top of ground, only going underground when breeding (and then not in buries, where they live in colonies but in isolated holes or stops, often in corn fields).

It must also be said that at that time I was a tenant farmer and the pheasants were reserved for my landlord and his friends. Any that fell victim to my shot probably got in the way of a charge aimed at a fleeing rabbit. A complete accident, of course.

I remember one rough piece of downland where I used to shoot where the owner of the

game shooting, not my landlord seldom appeared. I was there with a friend and he had been tempted by a cock pheasant which came down by me.

As I was picking it up I saw from the corner of my eye that the owner was approaching with a party of friends. I pushed the pheasant well down a rabbit hole and dropped my bag on top of it, then waited for them to approach. "Just knocking off a few rabbits," I said pleasantly. "Please take over." We chatted a moment or two and I saw my dog marking a bush in a manner which made me sure that a pheasant was there. I offered to drive the bush out towards them but they persuaded me to complete the circle. The dog went in and sure enough the bird came out, flying fast over my left shoulder —a target I always find easy.

I killed it and offered it to them. They refused to take it andw I must say I felt a slight twinge of conscience when I walked home with two pheasants in my bag. Judge of my surprise when, after this experience, they invariably asked me to their best shooting days. Perhaps they thought I would leave their other pheasants alone in future.

I seldom accept invitations to more formal shoots because the idea of standing in line waiting for birds to be driven over me is not attractive.

It also shows up my lack of skill at driven birds, which are often very difficult indeed. But I do like walking round with the beaters and picking off any birds which fly back or out of the line of the drive.

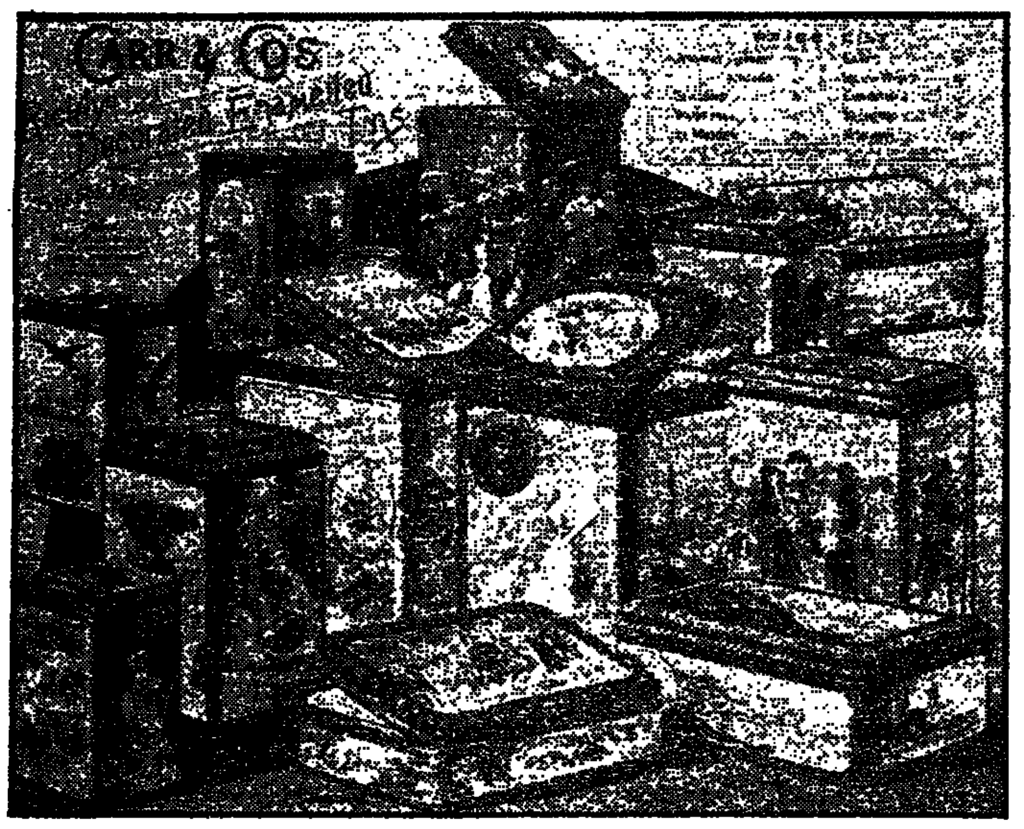
This has the great advantage that I can pick my shots, restricting myself to those I know I can hit: basically flying over my left shoulder. No host will *worry if you let immature birds* or hens escape unscathed. But very often the escaping bird is an elderly cock which has survived countless drives and which will probably be inbreeding with its own progeny. Then it is about time he gave way to the younger generation.

Thanks to the dry summer there is a very good stock of wild birds and we have had some good days, helped in some cases by a modicum of reared birds.

Years ago pheasants eggs used to be incubated and reared by broody hens. This has given way to mass incubation and brooders and these birds, it seems to me lack the stay-at-home instincts of those reared under hens and will often wander for miles away from their home base. Wild birds stay a long time in their natural surroundings so long as there is feed. I always know where I can go to have a chance of getting a dinner.

Walking with the beaters gives me the chance to see the other escaping creatures. There are increasing numbers of fallow and roe deer—not enough to harm my farming and they have not yet found my wife's roses. I like to see them about and won't allow them to be shot, although one can only be sure of seeing them at dawn and sunset.

For the first time for several years there are increasing numbers of partridges. They are so wild now that they are almost impossible to get near enough to shoot, which fits my game management well. I hope the numbers increase again next year. They are a territorial bird and for some years a pair of French patridges have been nesting by the garden hedge. This year they reared a covey of a dozen and every morning and evening are to be found picking up the scraps around the buildings. The smaller English grey partridges don't seem to like their company and keep well away from most forms of human life.



Crackers with the caddies

COLLECTING

JANET MARSH

ALTHOUGH Amanda in Noel Coward's *Private Lives* (1930) was anxious to bereasured by Elyot that the Taj Mahal by moonlight did not look like a biscuit box, the appeal remains of such unlikely objects as old biscuit tins.

Victorians took to the biscuit habit with such fervour that Edward Lear in 1885 composed a nonsense rhyme on one of the major manufacturers: "Huntley and Palmer arose/ With the earlyful beams of the morning sun/ Huntley a chop for his breakfast chose/Palmer preferred a bun."

The company was established in Reading in 1826. William Jacob in 1850 began making fancy biscuits in Waterford, with cream crackers created in 1885. And Mr Peek was a city tea merchant; in partnership with miller George Frean, their special Nile biscuits were produced in a beautifully printed little tin in 1886. In 1969 the three firms became Associated Biscuits.

The first printed British tin is credited as having been produced in 1868, when Huntley and Palmer were allowed to publicise the fact that they supplied biscuits to Queen Victoria. Indeed, the Osborne was named after the royal holiday home in the Isle of Wight. The distinguished designer Owen Jones (1809-74), created a transfer incorporating the royal coat of arms, and Benjamin George George printed the design on sheets of tinplate which were then sent to Huntley and Bourne, who made up the sheets into tin boxes for Huntley and Palmers.

The "Bible" for collectors is M. J. Franklin's *British Biscuit Tins 1868-1939 — An Aspect of Decorative Packaging*, published in 1979 (£29.50 plus £5 postage from Allen Levy, New Cavendish Books, 23 Craven Hill, London W2).

This large, well-presented book with its rich burgundy and gilt cover and 235 colour illustrations, reveals the fascinating variety of tins produced by some 18 biscuit-making companies. (Most have complicated histories involving partnerships, takeovers and mergers, documented in T. A. B. Corley's *Quaker Enterprise in Biscuits*, 1972 and J. S. Adams's *A Fell Fine Baker: The Story of United Biscuits*, 1974).

The historical notes reveal much that is intriguing. For instance, a coloured dragonfly casket was put out around 1912 by L. Wright and Sons of South Shields, a company founded in 1791 by a sailing ship owner who originally made cabin-bread and hard tack. And a caddy-tin of similar date simulating a piece of painted and ormulu-mounted satinwood, bore Crawford's motto on the underside—*Aquirit Qui Tuetur* —He Obtains, Who Maintains.

There were biscuit tins that converted into flower vases (Peak Frean 1900), only playing two notes, however, W. and R. Jacob, 1930).

Other containers by Jacobs were toys in their own right—the humming top (1928), the lucky wheel, 1929, a moneybox where the dial spun after a penny had been inserted, and a bagatelle, 1904, with a spring-loaded plunger to shoot the ball into the field of markers.

Probably the most finely detailed was a model of the Cunard liner Berengaria, where little gangplanks hold the lid to the base of the tin (William Crawford and Sons 1928), and one of the LNER locomotive Silver Links, the engine that was used to draw the Silver Jubilee train between London and Newcastle.

And in the 1930s some well-known artists designed tins. Mabel Lucie Attwell did three for William Crawford, and Edward Bawden was commissioned to do a series for the Tunbridge Wells company Romary and Co.

Mr Franklin's latest book is *British Biscuit Tins*, just published by the Victoria and Albert Museum at £5.95 (plus 55p postage); it is complemtend by a charming display (until February) in room 84 at the museum, of some of the collection, which was donated to the V & A in 1983.

The delightful little book doubles as a catalogue, and the saddest entry must be the one of a tin made by N. C. Joseph for H & P in preparation for Reading Football Cub's expected victory at Wembley in 1927. The club lost in the semi-final, so the tin was not issued in Britain.

A good source is Dodo Old Advertising, which has just moved to 3 Denby Gardens, London, W.11. It is open Friday and Saturday from 10 to 6, or by appointment, 01-229 3132. Elizabeth Farrow, who started the busines in 1960, has tins in stock between £20 and £30.

There are a couple of pretty *art nuveau*-style Peak Frean caskets, a Gray, Dunn "house" that is a money-box, and a William Crawford simulated lizard-skin trinket box, probably of 1926. Also a "calendar" tin, a model popular with Americans.

Look too for unusual coffee, tea and sweet tins of the 1920's and '30s, all nicely decorated and from £5 to £15.

John Barrett on the Volvo Masters tournament

Testing time for McEnroe

TENNIS

THE PERILS of success were amply demonstrated in the Madison Square Garden arena in New York on Thursday as the first two quarter-finals of the $400,000 Volvo Masters Tournament were completed with both the top seed and holder, John McEnroe of the United States, and the fourth favourite, Matts Wilander of Sweden, nearly coming to grief.

In an afternoon match, Wilander saved three match points before beating South African-born Johan Kriek, now an American citizen, 6—4, 3—6, 7—6. Before 13,103 fans at night McEnroe came back from 2—6, 0—3, 30/40 to beat Anders Jarryd, one of four Swedes who qualified for these season-ending play-offs, 2—6, 6—4, 6—2. Both winners were clearly in need of match play.

For McEnroe, 1984 was a year of superlatives marred by only three losses—to Ivan Lendl in the French Open final, to Vijay Amritraj in the first round in Cincinnati where the American No 1 had never intended to play, and to Henrik Sundstrom in the Davis Cup final. Yet the strain of winning 78 matches and 12 tournaments finally caught up with him.

In the last of those tournaments in Stockholm during the first week of November the tight control he had exerted over his volatile temperament for most of the year finally snapped. His appalling behaviour led to a fine and a 21-day suspension.

Then a wrist injury prevented his participation in the Australian Open so that he was seriously out of form when he came to play for America in the Davis Cup final on clay in Gothenburg just before Christmas.

Thus the special event he won last week in Las Vegas gave him only his second competitive opportunity in seven weeks. The lack of preparedness showed against an inspired Jarryd, who was playing in his first Masters and believed he might complete what he had narrowly failed to do in Stockholm during that stormy match when McEnroe had won 1—6, 7—6, 6—2

For a set, the American was just missing with his volleys and attempted winning placements. His serve, so often the spearhead of his attacking coups, was being handled by Jarryd quite beautifully. To his credit McEnroe changed his game midway through the second Test.

"At 0—3 I figured I'd better reduce the pace and slow the rallies down," he said afterwards. "I was lucky—he had a point for 4—0 and then at 3—1 he was 40—15 on his serve. He was playing so well, better than in Stockholm—I could easily have been 0—5 down. It was a very strange feeling—I can't remember being beaten so badly for a very long time."

Jarryd admitted afterwards that he had choked on his lead. "Up to that moment I was playing perfect tennis," he said.

For Wilander the problem has been to recharge the batteries after two emotionally draining efforts—in Melbourne where he won his second Australian Open and in Gothenburg where the Davis Cup campaign had such a glorious ending. After a two-week break he had intended to get valuable match practice for New York at last week's Belgian American Young Masters at the NEC, Birmingham. Sammy Giammalva had other ideas and beat him brilliantly in the Swede's first match.

Against Kriek it was apparent that Wilander could not find his normal consistency. Nor could he keep his passing shots low enough—the muscular American despatched some spectacular volleying.

But in the crisis a combination of Amercan caution and Swedish inspiration were decisive. After losing a 2—0 and 3—1 lead, Kriek led again 6—5 and three times on Wilander's serve held match points. On the first two Kriek seemed reluctant to attack and waited for an error from his opponent.

It never came and on the third chance Kriek sped to the net behind a beautifully neat approach to the forehand only to see an inspired topspin lob flash overhead out of reach. It broke Kriek's spirit and he surrendered the tie-break seven points to three with a string of unforced errors.

Both McEnroe and Wilander, who meet in today's semi-final, will be grateful to have had such stern tests. They have much to settle and should provide us with a memorable encounter.

This is Volvo's final act as sponsors of the worldwide Grand Prix competition now being supported by Nabisco brands, the American food conglomerate. But the Swedish motor manufacturer will be increasing its commitment to North American tennis by 50 per cent to $2.5m in 1985

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Why it came to a crunch

THERE is nothing new about raising interest rates to defend the pound. Indeed, the late Professor Harry Johnson once demonstrated that every single rise in interest rates for more than 20 years after the Tories formed their first post-war government in 1952 was a result of a run on the reserves. In that respect the Bretton Woods system was very like the old gold standard. Why, then, do we now have to suffer weeks of doubt and dithering, and of proclamations that everything is under control before this well-practised routine is set in motion?

One reason is that the urgency has become much less. The reserves are no longer under threat, since it is not policy to defend any particular parity. Everyone is now used to large swings in foreign exchange rates.

These swings, however, are really half the trouble. In the days when a two per cent move was a national crisis, quite a modest rise in interest rates would persuade speculators not to speculate; once a gap between British and foreign interest rates was opened up, the pound would automatically fall to a discount in forward markets which covered the hopes or fears of would-be speculators. Real crises arose only when an outright devaluation was suspected.

Nowadays, however, speculative imagination is much wider-ranging. When sterling can fall more than 50 per cent against a rising dollar in a matter of four non-inflationary years, it is hardly very bold to bet on a further 10 per cent fall from this already low level. Quite a large gap in interest rates between London and New York (which acts as a tax on speculation) is required to discourage the punters.

Starvation

This, however, might still not deter the Government from timely pre-emptive strikes in the credit market were it not for a complete change in economic fashion. For many years, any complaints from industrialists or from commentators about the excessive cost of protecting sterling were told that they were being naive. Studies at the Treasury, it was claimed, proved conclusively that interest rates on their own had no effect on the economy—or at any rate, short-term moves had no effect. Spending and investment plans were based on needs and opportunities, and the cost of credit was a very minor factor.

The one exception was the building societies, which tended to be starved of funds when rates were raised. This starvation—what the Americans used to call a credit crunch—was seen as a useful gadget in running the economy, but little more. A whole battery of direct controls on bank lending and hire purchase terms, together with "regulator" changes in purchase tax, was deployed to do the work which interest rates could not achieve.

Nowadays that fashion has turned full circle. The Treasury model (which, like some models we built as children, is never finished and always being redesigned) now sees interest rates as vitally important. A fall in rates stimulates the economy directly encouraging borrowing, and indirectly by encouraging a rise in asset prices. Thus the Treasury now regards a strong stock market not just as a City forecast of of prosperity, but as a direct cause of prosperity.

This helps to explain why both Sir Geoffrey Howe and Mr Nigel Lawson have made lower interest rates a central aim of their policies, and why each rise tends to be imposed, rather late in the day, over much mute political protest. However, it also explains why we tend to get into these spots of bother, in a rather more complicated way. The trouble is that a full-hearted belief in monetarism and the importance of interest rates (and the two beliefs are intimately connected) can prove a terribly austere creed at times; and hair shirts make people wriggle.

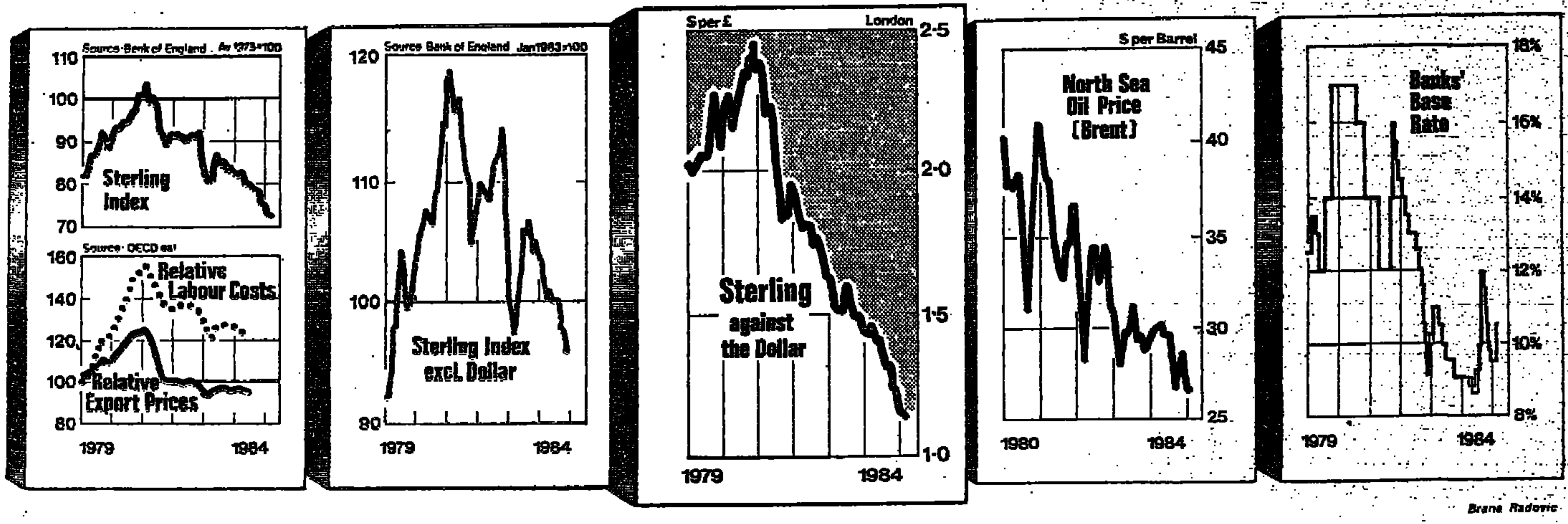
Purist

It is all very well to set out on the purist road, trying to cut government borrowing and letting interest rates check private credit demand; but if you overdo it, social spending stretches the Budget and private borrowers have to borrow more to pay their interest. Faced with an impasse of this kind you can either revise your beliefs, like President Reagan (a former budget-balancer who came near to proclaiming that deficits don't matter); or you can seek less purist methods.

In this country, we have adopted three. We have paid for government spending by allowing oil production to rise very steeply, and by selling off assets; and we have controlled the money supply by official purchases of private IOUs, financed by higher gilts sales, known as over-funding, rather than by letting high rates ration credit. But as a result, nobody really knows how tight fiscal policy and credit policy really are.

As a result, the sacred numbers at the centre of every Budget — money growth and PSBR — have a meaning which is increasingly difficult to decode; and the exchange market, where supply and demand for sterling are balanced by the minute, gives the message. Which is about where we came in.

UK BASE RATES RISE



Brana Radovic

The pound: this round to the markets

By Philip Stephens

FOR MR NIGEL LAWSON yesterday's rise in bank base rates to 10½ per cent to halt the run on the pound must have brought an awful sense of deja vu.

Three months ago he successfully weathered a similar storm, but three months before that a slide in sterling's value eventually forced a 2½-point rise in interest rates, only recently fully unwound.

For much of last week it looked as though the Government might have persuaded financial markets that this time there was no cause for panic, but by Friday the speculators against sterling had the bit between their teeth.

And as the bookmakers offered odds on when sterling might hit parity with the dollar, wholesale interest rates rose sharply leaving the clearing banks with no option but to raise base rates to defend their profit margins.

Whether the storm has now blown out remains to be seen. The banks' move restored some calm to the markets, but it should be said that sterling's subsequent performance was hardly spectacular.

The base rate rise, though probably not enough to have any immediate impact on mortgage charges, is a significant blow to the Government's economic strategy.

For Mr Lawson, the key to continuing economic recovery is a combination of lower interest rates and tax cuts.

So why has sterling fallen so sharply — the sterling index is down 6 per cent since November with nearly half of that in the last week alone — and why has the Government been so reluctant to see higher interest rates to defend it?

First there has been the apparently unstoppable advance of the dollar, which has pushed virtually every other curency to historic lows.

As the charts show, sterling dropped by around 20 per cent against the U.S. currency last year against an overall fall in its value of 12 per cent, and a devaluation against the D-Mark of only 6 per cent.

More recently, however, the pound's fall against currencies other than the dollar has accelerated as concern has mounted that oil prices — and thus Britain's export revenues from the North Sea — cannot be held at present levels.

The occasional bouts of disarray in Opec and the perception that the onset of spring will put further pressure on oil prices have given speculators and foreign exchange dealers a ready excuse to sell the pound.

Doubts about the tightness of the Government's monetary policy—and thus its determination to bring down inflation—have also crept into financial markets as the British Telecom issue has blurred the interpretation of the key money supply figures.

The foreign exchange markets' view that the Government was willing to let sterling find its own level against other currencies did not help, giving speculative sellers a sense of security.

Mr Lawson's attitude towards the exchange rate is probably the most difficult part of his economic policy to come to grips with.

Essentially, the Government's anti-inflation strategy is based on control of the money supply, with the exchange rate usually allocated a subsidiary role in monitoring the success of that strategy.

Put more simply, Mr Lawson believes that, over the long term, inflation will come down steadily if the money supply is kept on track, despite any occasional flurries on the exchange markets.

The situation is complicated, however, by his parallel view that sterling can sometimes act as an indicator of monetary conditions, if the money supply figures are giving a false reading.

The best example was in 1980, when sterling's strength against other currencies suggested that money was tight despite an overshoot in the key measures of the money supply.

Over the past few months, however, the Treasury and Bank of England have argued that there was no evidence that the key money supply measures, have been giving a misleading signal while the pound's weakness has been a temporary phenomenon caused by the dollar and oil.

It therefore resisted any rise in interest rates, despite successive attacks on sterling.

The problem for the Government has been that the message from its money supply indicators has been upset by the massive amounts of cash raised in the City for the BT share sale

Despite this week's announcement that sterling M3 (the broad guide to money and credit) fell last month to move back to the top of its 6 to 10 per cent target range, many in financial markets remained unconvinced that the run on the pound could be blamed entirely on external factors.

And if the Government's confidence is not shared by financial markets there is a danger that their concern can turn into a self-fulfilling prophecy.

On one hand, the authorities may find it difficult to sell enough gilt-edged securities to keep the money supply under control. Separately sterling's weakness can become self-generating as the foreign exchange markets test the authorities' resolve.

By yesterday the Government had to concede that sterling's weakness may have been signalling that monetary policy was too lax.

The Government is also aware that too sharp a drop in sterling's value over a short period could produce an "inflationary shock," even if control of the money supply can eventually be relied upon to put prices back on course.

Such a temporary upsurge in inflation, in turn provoking higher wage demands, would hit the Treasury's hopes that earnings growth will slow and encourage employers to take on extra workers.

The inflationary threat, however, is significantly reduced if any fall in sterling is provoked by a lower oil price, as the higher cost of non-oil imports is at least partially offset by the anti-inflationary impact of cheaper fuel.

Looked at outside the strict confines of its monetary strategy, there are broader reasons why the Government might not be too concerned about sterling's fall—if the setbacks caused by sharp short-term movements are ignored.

Since its peak of around $2.40 in 1980, the pound has dropped more than 50 per cent against the dollar. Against the major currencies as a whole it has fallen about 30 per cent.

At the same time inflation came down steadily from over 20 per cent in 1980 to 5 per cent by the beginning of 1983, and has remained stable since.

The ready-reckoners which said an x per cent devaluation of the currency would automatically produce a y per cent increase in inflation clearly have not worked. Instead lower world commodity prices and the willingness of importers to cut profit margins have limited the impact of the falling pound on domestic prices.

That is not to say the Government has not paid a price in terms of inflation. The present annual rate of 5 per cent might well have been matching West German levels of 2 to 3 per cent if the pound had not fallen over the last couple of years.

But after the massive blow to British competitiveness—and hence to industry and jobs—of sterling's strength in 1980 and 1981, the benefits of its fall since then for output and employment have been enormous.

As one of the charts shows, Britain's relative labour costs and relative export costs — and hence its ability to compete—have improved substantially over the last four years.

The export performance of Britain's manufacturing industry has hardly been spectacular as a result — the non-oil trade deficit for last year is likely to have been over £10bn —but one wonders what might have happened if sterling had not fallen.

There are also short-term advantages for the Government from a weaker exchange rate against the dollar.

Much of the scope for tax cuts in the March budget can be attributed to higher sterling tax revenues from the North Sea since the oil sold is priced in dollars.

The 12 per cent fall in the pound's value since Mr Lawson's Autumn Statement in November, for example, is likely to have added around £1.5bn to the Treasury's oil revenues.

Other things being equal, that could allow Mr Lawson to double his tax giveaway to £3bn.

Of course, if the dollar oil price does fall, additional revenue will be reduced correspondingly.

And tax cuts generated by higher sterling oil prices are, to a large degree, illusory, since they simply redistribute income from consumers who pay the higher prices to tax-payers.

It would be too cynical to suggest that the Government would actually encourage the fall in sterling's value to achieve that aim, but it's a fair guess that politicians will not be shy about claiming credit for the tax cuts.

Overall, however, if the benefits of sterling's depreciation are to be maintained, it will probably depend on the pound not falling too far too fast.

There are no "magic" numbers for the Government in terms of a fixed point at which it would defend sterling. Interestingly last July the markets were convinced that $1.30 was the threshold at which the Treasury would step in. Subsequently sterling fell below $1.20 and interest rates fell.

The task for Mr Lawson will be to appear concerned but not nervous. If he seems unconcerned the foreign exchange markets may see a "one-way street" in the currency. If the markets sense nervousness, interest rates could well go higher.

In the meantime, business will have to pay the price of higher borrowing costs, estimated by the Confederation of British Industry at an extra £250m or so for each one percentage rise in base rates.

Higher credit charges are likely to dent consumer confidence and take some of the steam out of the spending boom of the past few months, although the personal sector as a whole will benefit because of the boost to returns on savings

For the short term, the Government must hope that sterling and interest rates stabilise at around their present levels to avoid an action replay of the events in July.

Then an initial small rise in base rates had to be followed by a much sharper increase a few days later, which in turn prompted the building societies to push up their charges and led to a higher inflation rate.

Last night there were few people in the City willing to argue with any certainty that the storm had blown itself out, although a clearer picture may not emerge until well into next week.

Foreign exchange dealers spoke of an atmosphere of crisis —investors, they said, were looking only at the bad news. Many brokers, moreover, believe that the odds are that the next move in base rates will again be upwards.

Against that, U.S. interest rates are well below the level seen in the middle of last year and there must be a chance of a further cut in prime rates.

And Mr Lawson must be hoping that the cold weather lasts long enough to put at least a temporary prop under the oil price.

Letters to the Editor

Public dividend capital

From the Secretary, London Electricity Consultative Council

Sir,—I agree with your leading article (January 7) that the Treasury's proposals for changing the statutory framework of nationalised industries have benefited from a couple of months of careful thought. Whitehall's leakers—actual or potential—will no doubt draw the right conclusions.

I welcome, too, the suggestion that it should become possible for all of a state corporation's reserves to be capitalised as public dividend capital. For example, the assets of the London Electricity Board are funded entirely from the accumulation of profits obtained from its customers, and it actually lends money to the public sector—nearly £100m by the end of the current financial year. For these accumulated profits to be converted to public dividend capital held for the direct benefit of LEB's customers has much to commend it. There are many ways in which any profits earned on this capital could be put for their benefit—such as minimising tariff increases, or operating a more generous cash collection policy for those in hardship, or funding low-interest loans to promote energy conservation.

I can see no justification, however, for paying to the government any profits made from the customers of the LEB on the capital already provided by them. In effect, customers would be required to find the money twice. The government has no legitimate stake in the LEB now that the board is debt-free and able to finance itself entirely from internal resources. Furthermore to state—as you did—that forcing the board to hand money to the government as a dividend instead of forcing it only to lend the money would reduce haggling over electricity prices is a complete misconception. This would do nothing to dispel the outrage of deliberately using a public monopoly as a vehicle to raise revenue from customers for wider economic objectives outside the scope of its own immediate field

For corporations like the LEB—and there are at least half a dozen other electricity boards in a similar position—what is involved in the Treasury's proposals is a kind of halfway step towards privatisation without any of its purported benefits. I suggest that we call it piratisation.

Roger Barnard, Secretary,
8, Great New Street, EC4.

Economic growth record

From Mr R. Bishop.

Sir,—Walter Eltis (January 2) made some clever use of UK GDP statistics to support the claims of the Government regarding its economic growth record. He stated "if the forecasters are correct (for 1985) then, Mrs Thatcher's Government will achieve as much growth in GDP in the six years 1979-85 as her predecessors achieved in the previous six years."

Assuming 3 per cent growth for 1985, he concludes that growth in 1981-85 will be 11 per cent, while growth from first half 1975 to first half 1979 was 10 per cent—clever because it excludes 1979-81 when the largest decline in UK GDP since the Great Depression occurred. Latest statistics for the GDP average estimate show that growth was 9.9 per cent from 1974 to 1979 under the Labour Government. From 1979 to 1984 growth was only 3.5 per cent and if one accepts the 3 per cent growth forecast for 1985 (2 per cent would be more realistic despite the prevailing forecasts), then economic growth in the six years since 1979 would be only 6.5 per cent. This will be far less than growth in the previous six years.

Two other factors need considering for a proper comparison. North Sea oil production since 1979 will have accounted for about 3 per cent of GDP growth. This can hardly be ascribed to Mrs Thatcher's management of the economy. The rebasing of GDP estimates from 1975 to 1980 prices has added around 0.5 per cent per annum to economic growth rates since 1981.

So, comparing like with like, the comparison is completely different to that shown in Mr Eltis' article. The Government will have "achieved" less than 2 per cent economic growth in six years in contrast to 10 per cent by its predecessors.

Roy R. Bishop.
12, Winchester Avenue, Heston, Middlesex.

Tax on pension funds

From the Director-General, National Association of Pension Funds.

Sir,—So Michael Prowse (December 21) thinks the Chancellor of the Exchequer could impose "an initially modest rate of tax on the investment income of pension funds" without "initially causing employers to increase contribution rates" and by hitting only "the better-off." The weasel word here is "initially."

He is prepared to postpone the reckoning; to impose a major additional burden upon industry; or to sacrifice the aspirations of 11m members of occupational pension schemes—scarcely a "better-off" elite.

Pension funds are already committed to the payment of future benefits stretching 40 years and more ahead. To meet present and future obligations without increasing employers' contributions must mean (at a 30 per cent rate of tax) either trebling the employees' contributions or reducing pensions (probably ultimately including those already in payment) by 40 per cent to 50 per cent.

The Chancellor may indeed find Mr Prowse's suggestions "startling but simple." His advisors might also see some possible consequences—such as the greater burden on the state, the reduction of institutional investment capacity; and one or two political hostages to fortune.

Henry L. James,
Sunley House,
Bedford Park, Croydon.

Changes in the NHS

From the Managing Partner, Grazer Boot Associates

Sir,—Your leader (Dec 28) on the question of drug costs in the NHS provides a fair and balanced contribution to the debate.

Inevitably any public organisation with an annual expenditure of £13 billion (England) will be subject to political gamesmanship and generate dissatisfaction in some quarters. Although it is questionable whether Mr Norman Fowler and his advisors fully explored all the implications of a "limited list" for medicines, in the absence of real initiatives by either doctors or certain elements of industry, it is difficult to see what Government alternatives remain.

Doctors, as managers, must be helped to understand more clearly what things cost and it is right they should be more responsible in accounting for their use of taxpayers' money. Patients also should be educated to the true and increasing cost of health care.

It is equally right that abuse of drug trials, questionable methods of promotion and excessive profiteering by fringe elements within the pharmaceutical industry should be stopped—ideally by the industry itself. A more responsive far-seeing strategy could perhaps have reduced the need for Government action and the subsequent hastily arranged public relations campaign by industry. Has a malaise settled upon this highly successful sector of British industry one wonders?

The changing structure of our NHS and the role of health care needs to be more clearly understood by all parties. The advance of new drugs and therapy, the growth of electronic and high technology medicine and the insatiable demand that health care should be freely and constantly available sometimes put impossible demands on a system still desperately trying to maintain original concepts. The Government still has much to do getting the NHS in order. There are still too many instances of financial waste and misuse and cases of appalling bad management. But it would be wrong to assume the NHS is totally incompetent. There are significant changes taking place and an increase in the number of highly competent managers at all levels. There is a real need therefore for those with ability in industry and the medical profession to contribute and help pioneer these changes. Above all, working within both fiscal and ethical parameters, professional and politician must share a common interest in the patient and our totality of national health service.

Clive J. Boot
2, Harewood Place, W1

Levy on blank tapes

From the Director, National Consumer Council

Sir,—I was dismayed to read (January 8) that the Government is soon to put out a Green Paper recommending a levy on *blank tape.*

Let us be quite clear what such a levy will be. It will be a new tax levied on a particular group of people, those who buy blank tape. This tax will then be distributed to another group of people. It is not clear who is going to do the distributing or to whom. One thing we can be certain about is that the majority of the money will not go to those who created the original music on those records which are rerecorded at home. A tax on blank tape penalises those who buy tape for other reasons than to record music; it penalises those who re-record records they have already paid for and it penalises those who record broadcast music, for which the rights owners have already been paid.

My council believes that, rather than creating new taxes, the Government should be changing the absurd law which makes it illegal for people to re-record records they have bought to play in the privacy of their own homes. A special tax on blank tape is also a tax on innovation and competition. Rather than penalising the hire of records, the Government should be seeking ways of enabling hire for recording to take place, with appropriate payments to the rights owners. A levy on blank tape is a tax on the benefits which information technology brings to ordinary people.

Jeremy Mitchell.
18 Queen Anne's Gate, SW1.

Abundance of skills

From Mr R. Greenaway

Sir,—The letter from Mr Wittenberg (January 3) suggests to me he is looking at the wrong group—as do many employers. The skills and experience he needs can be found in abundance among those of 50-plus years of age.

R. D. Greenaway.
16 Conholt Road,
Andover, Hants.

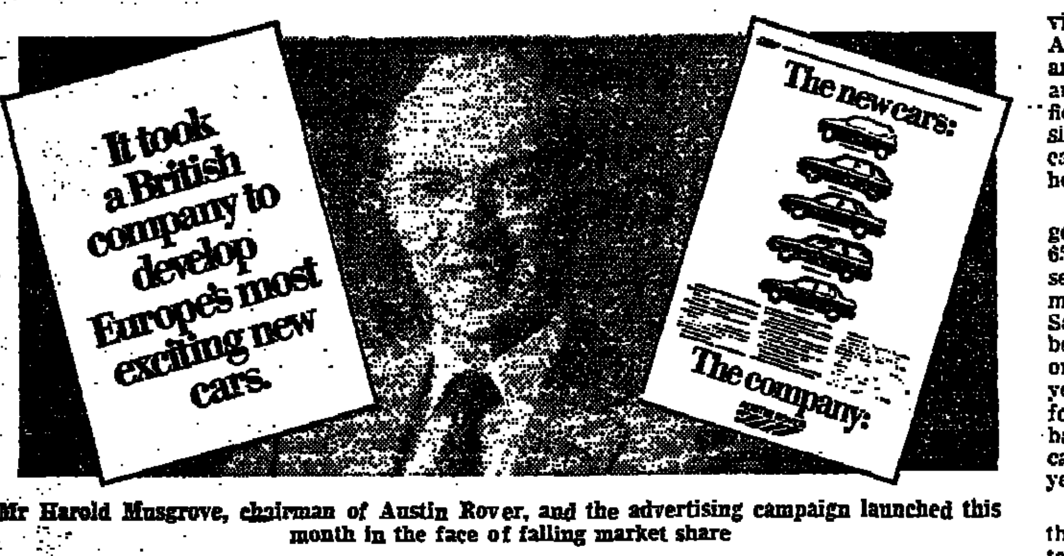
BASE LENDING RATES

A.B.N. Bank	9½%	C. Hoare & Co. †	9½%
Allied Irish Bank	9½%	Hong Kong & Shanghai	9½%
Amro Bank	9½%	Johnson Matthey Bkrs.	10½%
Henry Ansbacher	10½%	Knowsley & Co. Ltd.	10½%
Armco Trust Ltd.	10½%	Lloyds Bank	10½%
Associates Cap. Corp.	9½%	Mallinhall Limited	10 %
Banco de Bilbao	9½%	Edward Manson & Co.	10½%
Bank Hapoalim	9½%	Meghraj and Sons Ltd.	9½%
BCCI	10½%	Midland Bank	9½%
Bank of Ireland	9½%	■ Morgan Grenfell	9½%
Bank of Cyprus	9½%	Mount Credit Corp. Ltd.	10½%
Bank of India	9½%	National Bk. of Kuwait	10½%
Bank of Scotland	10½%	National Girobank	9½%
Banque Belge Ltd.	9½%	National Westminster	10½%
Barclays Bank	9½%	Norwich Gen. Tst.	10½%
Beneficial Trust Ltd.	10½%	People's Tst. & Sv. Ltd.	10½%
Brit. Bank of Mid. East	9½%	Provincial Trust Ltd.	11½%
■ Brown Shipley	10½%	R. Raphael & Sons	10½%
CL Bank Nederland	10½%	P. S. Refson	10½%
Canada Perm'nt Trust	10½%	Roxburghe Guarantee	11 %
Cayzer Ltd.	9½%	Royal Bk. of Scotland	10½%
Cedar Holdings	11 %	Royal Trust Co. Canada	9½%
■ Charterhouse Japhet	10½%	■ J Henry Schroder Wagg	10½%
Choulartons**		Standard Chartered ‖	10½%
Citibank NA	10½%	Trade Dev. Bank	9½%
Citibank Savings ¶	10½%	TCB	9½%
Clydesdale Bank	10½%	Trustee Savings Bank	10½%
C. E. Coates & Co. Ltd.	10½%	United Bank of Kuwait	9½%
Comm. Bk. N East	9½%	United Mizrahi Bank	10½%
Consolidated Credits	9½%	Westpac Banking Corp.	9½%
Co-operative Bank *	9½%	Whiteaway Laidlaw	11 %
The Cyprus Popular Bk	9½%	Williams & Glyn's	10½%
Dunbar & Co. Ltd.	10½%	Wintrust Secs. Ltd.	9½%
Duncan Lawrie	9½%	Yorkshire Bank	9½%
E. T. Trust	10 %		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	11 %		
■ Robert Fleming & Co.	9½%		
Robert Fraser & Ptns.	10 %		
Grindlays Bank ‡	9½%		
■ Guinness Mahon	9½%		
■ Hambros Bank	10½%		
Heritable & Gen. Trust	10½%		
■ Hill Samuel §	9½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8.25%, 1 month 7.00%. Fixed rate 12 months £2,500 8.75% £10,000, 12 months 9.00%.
† 7-day deposits on sums of under £10,000 6¾%, £10,000 up to £50,000 7¾%, £50,000 and over 8%.
‡ Call deposits £1,000 and over 6¾%.
‖ 21-day deposits over £1,000 8¾%.
¶ Mortgage base rate.
§ Demand deposits 6%.
** See Provincial Trust Ltd.

هكذا اصل الأصل

THE FUTURE OF AUSTIN ROVER



Mr Harold Musgrove, chairman of Austin Rover, and the advertising campaign launched this month in the face of falling market share

The vital battle to boost market share

By Arthur Smith in Birmingham

NINETEEN-EIGHTY-FIVE is beginning badly for Austin Rover, BL's volume cars division. Labour relations are once again strained and UK market share hit a new low of just under 12 per cent in December. Austin Rover finished the year with a market share below 18 per cent—one of the worst performances on record. Once again the company's long-term viability is in question.

At the least it has to prove over the next few months that it can sell enough cars to ensure that it has a commercial future. The challenge is a new one: for the first time in more than a decade the company cannot blame any poor sales performance on an ageing model range. It now has, after all, almost a complete line-up of new models.

It is still an open question whether they are good enough. The Montego, which was designed to give Austin Rover a competitive model in the highly-important UK company car sector, met only a cautious response from fleet buyers after its launch in April and sales have not built up as fast as the company hoped. And adding to Austin Rover's disappointment last year, Ford—with a very aggressive dealer incentive campaign—pushed its Fiesta ahead of the Metro which had been heavily promoted as "Britain's best-selling small car."

The Government, conscious that £2.3bn of state aid has gone into the BL group since 1974, is likely to be a stony-faced observer of Austin Rover's travails. The Department of Trade and Industry, currently reviewing BL's five-year corporate plan, regards the vehicles group as out on its own. Early privatisation of Unipart, the profitable spare parts division, might yield some funds. Otherwise, Austin Rover should look to joint projects, such as the deal with Honda, of Japan, to produce the XX, the replacement for the present Rover executive model.

What has blown the Austin Rover recovery off course? What must it do to achieve the Government's declared aim of early privatisation? And how realistic are such plans now?

1984 began optimistically. In 1983 the company had shown a tiny—but psychologically important—£2m trading profit. The Montego—the long-awaited challenger to the Sierra and Cavalier in the important fleet market was successfully launched. The Rover 200 series replacement for the Acclaim, a revamped Metro line-up and van versions of the Metro and Maestro, followed.

Austin Rover, which in just four years has more than halved its labour force to just over 40,000, has proved its strength in manufacturing. Productivity is claimed to be on a par with the best in Europe. Mr Harold Musgrove, the chairman and chief executive, boasts that production of a Metro takes just 33 man hours from raw material through to finished product—"that is a performance I would challenge anyone anywhere in the world to beat," he says.

But the Austin Rover's very success in cutting out waste and boosting efficiency means the potential for wringing much more profit out of the manufacturing process is now limited. And the company's suppliers have been forced to share the pain. The £900m a year bill for components has been held constant for the past four years in spite of suppliers' rising wages and raw material costs.

The turning point last year for the company, which notched *up a £300,000 trading profit in* the first half, was the poor sales performance in August—the peak selling month when the private motorist, traditionally the BL customer, moves into the market.

Not only was the total market lower than predicted but Austin Rover's share dipped to only 15.3 per cent compared with nearly 18 per cent in August, 1983. The company firmly lays the blame on a spate of unofficial disputes at the Cowley assembly plant, Oxford and a strike at Longbridge, Birmingham, over a black man dismissed for allegedly striking a foreman. "Short of stock and going into the peak selling month, how could we afford to offer our dealers incentives available to the competition," said a senior Austin Rover executive.

A similar explanation is offered for the poor December penetration which followed the November pay strike. Austin Rover argues that not only was the UK starved of new models such as the Montego estate and five-door Metro, but the key launch of models, such as the Montego, into European markets was also delayed.

The issue of how many vehicles were lost because of disputes and whether or not they might have been sold is now academic. The fact is that 1984 saw a drop of 35,000 in total sales from the previous year to 423,000 and a consequent trading loss of well over £10m—albeit on a turnover of more than £1.81bn.

Against this background BL's corporate plan is thought to suggest 1989 as the earliest possible date at which Austin Rover could be returned to the private sector.

Such timing is based on the belief that the company, with a present capacity to produce around 750,000 cars a year, must operate at a volume of around 650,000 in order to generate sufficient profit to finance new investment and stand on its own.

Sales and production on that scale would be a huge increase on what is envisaged for 1985. Success in cutting the cost base means that Austin Rover could start to trade profitably with sales of around 435,000—a performance that would require a UK share of at least 19 per cent on a market projected at around 1.76m.

Senior company sources argue that sales at the 435,000 level would put the company back on course even though it would mean an increase in borrowings but still within the necessary cash limits. (The company's existing debt means interest charges of around £25m to £30m a year). The corporate plan indicates that new investment of around £150m a year will be necessary as the company embarks upon replacement of the existing model range, starting with the Metro.

While 435,000 might be roughly the point at which Austin Rover begins to trade profitably. Much more ambitious targets have been set within the company. Dealers, for example, have been told the aim is a 22 per cent market share. Indeed, current production schedules suggest the company is geared towards output nearer 500,000 this year.

So it will be in the market place over the coming weeks that Austin Rover's ambitions will be put to the test. The priority now ascribed to sales was acknowledged publicly with the promotion to the board this month of Mr Trevor Taylor, head of sales and marketing, who will be seeking further improvements in the company's already streamlined dealer network.

Attention will inevitably focus upon the performance of the Montego in the important fleet market. The car has so far taken longer to gain acceptability than the company had hoped. But in the words of one of Austin Rover's biggest dealers in the Midlands: "We are beginning to get the penetration. Take it from me 1985 will be the year for the Montego."

Austin Rover has inevitably been squeezed by being the last into a market sector where General Motors and Ford were already slugging it out with the Cavalier and Sierra. Dealer incentives are now being offered for the first time on Montego. But its ability to match the multinationals on price cutting in pursuit of volume is constrained by its lack of cash.

Mr Musgrove rebuts vigorously the criticism that Austin Rover's market performance suggests that its strategy and its model range are deficient. "We are a *medium-sized company offering quality* cars with a distinct character," he says.

Crucial to Austin Rover's target to climbing to a volume of 650,000 by the end of the present decade is the development of new markets overseas. Sales to Europe last year were below target and slightly down on the 80,000 of the previous year. 1985 is seen as a year for continuing to build the base, with the aim of *significant advances in subsequent* years.

But it will not be until 1987 that Austin Rover will be able to launch its assault on the important U.S. market with the new XX car.

The Government knows how much Austin Rover still has to do and how much money it will need to do it. No formal request for aid has been made but a hint of the vigorous debate likely between Whitehall and BL was given by Mr Ray Horrocks, chief executive of the cars division, when he addressed Tory backbench MPs before Christmas.

Pressed on privatisation, he said new money would be necessary for Austin Rover's future investment programme. Under present arrangements such finance could be sought from the commercial market and the balance-sheet would justify it, Mr Horrocks argued. But he also drew attention to government assistance offered to BL's competitors overseas in the form of direct cash injections, soft loans and grants for research and development.

Such arguments seem unlikely to move the present Conservative administration which is committed to the return of BL to the private sector. Unipart, which showed an £8.9m profit for the first half of 1984, is the obvious first candidate. While an early sale would offer a short-term benefit to Austin Rover from the funds realised, it could have a long-term impact on future profitability: a significant part of Unipart's business is in high-profit spares for Austin Rover.

Other likely advice from the Government that BL should be looking for joint ventures merely highlights a policy which the group is already pursuing. For Austin Rover, collaboration with Honda, of Japan, beyond the present XX project would be logical. But as yet there is no indication of any significant move in that direction.

In the meantime, there is no way round the fact that Austin Rover is a small-to-medium company constantly in danger of being squeezed by the major European car producers. Slow growth in demand and severe overcapacity have produced the most severely competitive market conditions the industry has ever seen.

The message from the Government is clear. Austin Rover must make its own way in the market place and generate the profits necessary to fund new investment. Against that background the routine monthly figures of sales performance take on a new significance.

UK CAR MARKET

	Austin Rover sales	Total market (million)	Austin Rover share (%)
1975	354,000	1.194	29.67
1976	340,000	1.285	26.48
1977	311,000	1.323	23.51
1978	359,000	1.591	22.55
1979	327,000	1.716	19.03
1980	267,000	1.513	17.66
1981	277,000	1.484	18.67
1982	268,000	1.555	17.24
1983	323,000	1.791	18.01
1984	309,000	1.749	17.66

Source: Austin Rover

The P & O bid

The other Sterling's hectic week

By Richard Lambert

IN THE City's view, Sir Jeffrey Sterling can walk on water. This ability, which must come in handy for the chairman of one of the world's best-known shipping companies, is about to lead him to a great business coup.

On Thursday, Peninsular and Oriental Steamship Navigation—which Sir Jeffrey has chaired for the past 14 months—announced that it was in merger talks with Sterling Guarantee Trust, Sir Jeffrey's master company in which he has a large personal investment. The commercial arguments for a marriage between a shipowner *and a property investment* company are not that obvious. And the financial outcome appears likely to be very favourable for shareholders in Sterling Guarantee.

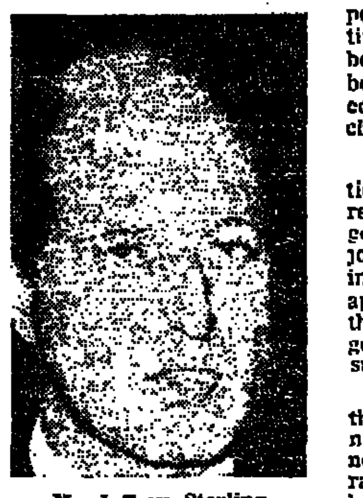
Although the terms may not value their shares quite as highly as has the stock market in recent weeks, these shareholders stand to be better off in terms of earnings and dividends per share. The merged group will also give them a stronger financial base.

You might have thought this would have raised questions about conglomerate mergers, or even about conflicts of interest. Yet the response to the news has been little short of ecstatic. City editors and investment analysts have been almost embarrassing in their enthusiasm for Sir Jeffrey and his team, and big shareholders in P & O are purring with delight.

How has it been done?

The answer lies in the personality and talents of the newly knighted Sir Jeffrey. In the first place, he is a very shrewd and unflappable businessman. After early successes, he got into a terrible mess 10 years ago through his close financial links and eventual merger with Town and City Properties, which was a prime example of the property boom excesses. With its shares down to 4½p at one point, the very survival of the merged group *was in question*, but years of patient slog and hard grind have brought it back to robust financial health.

Moreover, in his brief period at the helm of P & O Sir Jeffrey has fought off an unwelcome takeover from Trafalgar House and made an impressive start in revitalising a company which for years has been long on assets and short on management.



Mr Jeffrey Sterling

In addition, he has the ability to attract and keep good managers and to make powerful allies. In the early days, it was Jim Slater. As Mr Slater recalled later, Sterling Guarantee was never quite a satellite of Slater Walker, but it was "to some extent under our influence and benefited from our charisma at that time."

Few companies in that category are still prominent today. But Sir Jeffrey gained some very influential supporters through his salvage work on Town and City. In particular, Barclays Bank and the Prudential, which were both heavily exposed to the problems of the company, had good reason to thank him.

He has also built up a remarkably influential position in Whitehall. As a special adviser to the Department of Trade and Industry, he is on familiar terms with senior government ministers and has played an important role in policy decisions on such matters as direct broadcasting by satellite, the telecommunications industry and the privatisation programme.

In addition, he has been lucky. He had been a non executive director of P & O for some time, but the hostile bid from Trafalgar was the catalyst which brought him to the top. And the fact that the bid was referred to the Monopolies Commission gave him the time he needed to repel the boarders once the takeover had been officially cleared and to consolidate his position as chairman.

Finally, he is a skilled politician and an expert in public relations. He takes fund managers, investment analysts and journalists into his confidence in the most flattering way, and appears genuinely to value their opinions. In return, they generally give him uncritical support.

Sir Jeffrey had made sure that this week's news came as no surprise, and the City was not in a mood to question the rationale of a merger which had been widely predicted for so long. Besides, there was something more interesting to talk about—the likely terms, which are to be announced next week.

If the pundits are to be believed, the merger will take the form of an offer by P & O on the basis of something close to one P & O share for every five in Sterling Guarantee. That would be worth roughly 65p against a suspension price of 74p. Sterling's 20 per cent shareholding in P & O will be sold, perhaps to P & O shareholders. That would raise around £80m, and be the equivalent of a one-for-five rights issue to bolster the enlarged balance-sheet.

Shareholders in P & O believe that without Sir Jeffrey their company would either have gone to Trafalgar House at a knock-down price, or else be muddling along at a lower share price under indecisive management. With the merger, they will have the undivided attention of a very successful businessman who, it is hoped, will be able to transform the performance of what will be a substantial business. Its combined net assets will be over £700m.

This was the kind of argument used to justify some of the weird takeover bids in the conglomerate boom of the early 1970s—including P & O's original abortive bid for Bovis in 1972. Most of these takeovers turned out to be a mistake. But all that was long ago—and in 1985 financial superstars are back in fashion on the Stock Exchange.

Peter Riddell on the SDP claim that it is unfairly treated on TV

Why the 'media party' is going to court

THE WAY British politics is reported on television and radio news programmes is about to be challenged — by, ironically, what was once dubbed the media party, the Social Democrats.

On Monday, the High Court will review the refusal of the Broadcasting Complaints Commission to consider a complaint made last year by Dr David Owen, the SDP leader. He alleged unfair and unjust treatment of the Alliance parties compared with Labour on the main news programmes on BBC and ITV.

The case turns on whether the complaint comes within the jurisdiction of the commission, a statutory body of non-broadcasters appointed by the Home Secretary. In a further twist the commission has argued that even if the issue is within its jurisdiction it has the discretion to refuse to deal with the complaint.

Behind these legal points lies a long-running wrangle between the Alliance and the broadcasting authorities which raises fundamental questions about the responsibilities of the BBC and ITV and how they decide what is news.

The common thread, agreed by both sides, is that the main evening news bulletins on television have considerable influence on public attitudes. They represent the most important single sources of news about politics for many of the public and are therefore a major chance for the Alliance parties to make a continuing impact upon voters.

Dr Owen argues that the SDP and the Liberals are not getting a fair hearing. And the public agrees, he claims. A Gallup Omnibus survey conducted last July showed that 40 per cent of those who often or occasionally watch news programmes believed that the balance of attention given to the parties was unfair. And two-thirds of the latter (that is around a quarter of the total) said the Alliance had not been given a fair share.

The SDP carried out a ten-week survey last spring of the coverage given to the major parties on the BBC's Nine O'Clock News and Independent Television News's News at Ten. Conservative spokesmen, often in their ministerial capacity, had a 72 per cent share, Labour 22 per cent and the Alliance only 6 per cent.

Dr Owen contrasts these figures with the 25.4 per cent share of the total vote won by SDP and Liberal candidates in the 1983 general election, only two percentage points less than Labour, and highlights the strong Alliance showing in subsequent by-elections.

Consequently, Dr Owen has argued that the broadcasting authorities have failed to take account of the shift in the British voting pattern, as they should do, and that they are therefore in breach of their duty to provide balance and fairness in news bulletins.

The BBC and the Independent Broadcasting Authority have strongly contested this case. The original blunt BBC argument was that, apart from general elections, an obligation to provide a balance has never been placed upon news programmes. The contents are dictated by the way the news breaks and nothing else, with naturally a requirement for fairness and impartiality. In later comments the BBC has said it bears in mind the number of votes cast for the Alliance in 1983 and that the aim is balance not in each bulletin but fairness in overall coverage over a period of time.

The IBA has also pointed out, as Dr Owen has generally conceded, that coverage of the proceedings of the Commons itself must inevitably reflect the actual division of seats and the balance of debates established by the Speaker. This naturally favours Labour as the official opposition with 209 seats against 24 for the Alliance.

Moreover, both organisations maintain that news reports can never be a simple matter of statistical balance counted in minutes and seconds. After all, not all coverage is favourable to a party. Labour could, for example, have well done without the prominent reporting of its splits in 1981, while the Liberals hardly benefited from coverage of Jeremy Thorpe's troubles.

Dr Owen, the SDP leader: seeking more air time for his party

Current affairs programmes present different problems and are not the subject of the current complaint. Question Time on BBC 1 and Any Questions on Radio 4 frequently include Alliance spokesmen while in other programmes, such as BBC 2's Newsnight, the decision is more often whether it would be helpful to the viewer, or even fair to the Government, to have two opposition spokesmen confronting a minister.

A further complaint from Alliance leaders is that producers only want the two Davids (Owen and Steel) and reject other SDP and Liberal spokesmen.

The dispute turns on issues of balance and newsworthiness. During general elections there is a policy of formally allocating the time devoted to covering the campaign between the different parties in proportion to the distribution of election broadcasts (or party politicals as they are known between elections). A ratio of 5-5-4 between Tories, Labour and Alliance applied during the 1983 election and has, after some argument, operated since then. The ratio for the 1983 election was fixed by the broadcasting authorities after a failure to agree by the committee on party political broadcasting, an informal body of party business managers and broadcasters which usually sets the allocation.

Dr Owen faces a Catch 22. He accepts that the fixed ratio of time between parties used in general elections cannot apply to individual news bulletins all the time. Instead, he says, the need is for fairness and balance over a sustained period. However, the Broadcasting Complaints Commission has argued that such a complaint falls outside its terms of reference under the 1981 Broadcasting Act since it can only consider complaints related to the contents of a particular programme or programmes, and not to general coverage.

The commission has added a second defence on the hypothetical grounds that the *matter did come within its* jurisdiction. On the basis of specific powers of discretion the commission has decided that it would be *inappropriate* to consider the complaint since this would involve a matter of *political judgment in allocating* time to one party or another. The commission has always refused to tell broadcasters how they should use air time and to infringe the principle of editorial freedom.

Dr Owen has challenged this argument on the grounds that, whatever the difficulties, the commission should at least consider the complaint and find out the criteria used by the broadcasters to achieve impartiality and a fair balance.

The broadcasting authorities are watching the case very closely in view of the already sensitive relations between them and politicians. Going back almost to the formation of the BBC, through the Suez invasion in 1956 and the Falklands war in 1982, there have been formal and informal attempts by governments to interfere with news coverage.

Apart from general elections, *the broadcasters have resisted* any formal ratios being imposed on their editorial decisions. As is often said of the U.S. Supreme Court the broadcasters naturally follow the election returns but they do not want to be bound too closely or precisely by them.

For Dr Owen the case represents a further challenge to what he sees as the cosiness of establishment conventions based on a two-party system. A shift to a multi-party framework is likely to be gradual and painful. But whatever the High Court decides on Monday's case, Dr Owen's pressure on the broadcasters over the last 18 months will have ensured that they are constantly having to take account of SDP and Liberal sensibilities.

Moreover, many politicians and broadcasters would argue that Dr Owen has made quite an impact under the present *rules by being newsworthy.*

BUILDING SOCIETY RATES

	Share a/cs %	Sub'pn shares %	Others %	
Abbey National	6.75	7.75	8.00	Seven-day account
			8.50	Higher interest acc. 90 days' notice or charge
			5.50-8.00	Cheque-Save
Aid to Thift	9.60	—	—	Easy withdrawal, no penalty
Alliance	6.75	7.75	8.00	7 days' notice. Imm. wdl. if balance £2,500+ Int. pd. ½-yrly., mthly. inc. optn. if bal. £1,000+
			8.50	Bank Save. Bal. of £2,500. Current account
Anglia	6.75	7.75	8.50	3-year bond. No notice, 3 months' penalty
			8.50	Capital share. No notice. 1 month's penalty
			8.00	7 days' notice. No interest penalty
Barnsley	7.75	9.50	9.65	Special Inv. 9.85 2 years. 9.65 monthly income
Birmingham and Bridgwater	6.65	7.70	8.05	5 days' not. or 20 days' int. pen. for imm. wdl.
			8.75	90 ds. shrs., 90 ds. nt. or 90 ds. pen. for im. wdl.
Bradford and Bingley	6.75	7.75	8.25	Premium Access. On demand, no penalty
			8.50	Extra Interest—1 mth.'s notice or 28-day pen.
			8.25	Extra Income—1 mth.'s notice or 28-day pen.
Britannia	6.75	7.75	8.30	7 days' notice. 8.55 28 days' notice
Cardiff	8.10	8.20	8.60	90-day notice. Penalty if balance under £10,000
Catholic	7.00	8.00	8.50	Extra share monthly income. 30-day notice
Century (Edinburgh)	8.85	—	9.30	Permanent 2/3 years or variable
Chelsea	6.75	7.75	8.90	3 years, immediate withdrawal interest penalty
Cheltenham and Gloucester	—	7.75	—	Gold. No notice. No pen. Under £1,000, 6.75; Over, 8.25; £5,000+, 8.57 when mthly. int. addd
Citizens Regency	7.00	8.00	8.40	7 days. 8.50 one month. 8.75 three months
City of London (The)	7.00	7.75	8.75	3 months' notice—no penalty—monthly income
			8.45	21 days' not. im. access for amnts. over £10,000
Coventry	6.75	8.00	9.00	2-year bond £1,000+, close 90 days' notice and penalty, monthly inc. opt., guaranteed 2.25 diff. MoneyMaker inst. acc. no pen. 8.60 £20,000+, 8.35 £5,000+, 8.00 £1,000+ monthly inc. opt.
Derbyshire	6.75	8.00	8.75	2 y., 3 m. not. with pen. 8.00 no nt./pn. m. inc.
Gateway	6.75	7.75	8.10	Gold Star £1,000+. No notice. No penalties. Monthly int. £5,000+ 8.41 if added to account
Greenwich	6.75	—	8.75	90-day a/c (7-day a/c 8.00-8.50 subject to bal.)
Guardian	7.00	—	9.10	6 months, 8.85 3 months, £1,000 minimum
Halifax	6.75	7.75	8.00	7-day Xtra, 7 days' notice, no penalty
			8.25	28-day Xtra, 28 days' notice, no penalty
			8.50	90-day Xtra, 90 days' notice, no penalty
Heart of England	6.75	8.00	8.50	90-day notice, 8.00 5-day notice
Hemel Hempstead	6.75	8.25	9.25	90 days; 8.50, 28 days; 8.75, 60 days
Hendon	8.00	—	8.75	7-d. a/c min. £500. 9.25 3 mths. a/c min. £1,000
Lambeth	6.90	8.00	8.30	7-d. a/c, 9.00 Magnum a/c 6 wks. & loss of int.
Leamington Spa	6.85	—	8.60	Spa mthly. Income; no not., no pen. £5,000 min.
			8.50	Lion sh.; 1 m. not. or 28 days' pen. £1,000 min.
			9.15	Supershare; no not., 14 days' pen. £2,000 min.
Leeds and Holbeck	6.65	8.50	8.25	Mnthly int.; 8.50 28 days' not. or pen. neither if £10,000 still in account
Leeds Permanent	6.75	7.75	8.00	Liquid Gold no not. no pen. HRAS 8.5 3m. not.
Leicester	6.75	7.75	8.00	£500+ im. ac. no pen. 8.95 comp. 3 y. £2,000+
London Permanent	7.25	—	9.25	90 d. not. or imm. wdl. no pen. if bal. £10,000+
Midshires	6.75	8.25	8.75	2-year term 2.00 diff. guar. 3 mth.' not. or pen.
Mornington	*8.30	7.80	8.50	£2K+, 8.65 £10K+, 8.80 £20K+. *£2,000—
National Counties	†7.05	8.05	9.00	90 days' notice, no penalty. †£1,000+
National and Provincial	6.75	7.75	8.75	HYS (share + 2% guaranteed 3 years)
			8.50	90 days' notice/pen. unless bal. stays £10,000+
			8.25	28 days' not., 8.00 7 days' not./penalty as above
Nationwide	6.75	7.75	8.50	Capital bonds, 3 yrs., 90 days' notice/penalty
			8.50	Bonus-90, 90 days' notice/penalty
			8.25	Super bonus, 28 days' notice/penalty
			8.00	Bonus-7, 7 days' notice/penalty
Newcastle	6.75	8.00	8.50	90 days' notice, 8.25 28 days' notice
			7.75	7 days' notice. On demand with penalty
			9.00	2-year term access with penalty
Northern Rock	6.75	8.00	8.10	Moneyspinner plus £500 or over
			8.35	(£5,000-£19,999); 8.60 (£20,000 and over) 7 days' notice withdrawal, no penalty
Norwich	6.75	8.00	8.50	New City Account, Im. wdl. no pen.
Peckham	7.50	—	8.00	7d's not. 9.00% im. wdl. if over £2,000. Mon inc
Peterborough	6.75	8.05	8.75	Flexi-Plus 60 days' notice monthly income
Portman	6.75	8.25	8.50	No notice, 8.75 2 months' notice
Portsmouth	6.90	8.40	9.05	3 year, 8.85% 90 day 8.60% 30 day, 8.30% 7 day
Property Owners	7.25	8.75	9.00	3 mths., 8.60 28 d., 8.75 6 mths. Effective Dec 1
Scarborough	6.75	8.00	8.75	2-year limited share, 1.75 guaranteed differentl.
Skipton	6.75	8.00	8.60	Sovereign £10,000+, 8.30 £500-£9,999. Monthly inc. 8.30, min. inv. £2,500. Inst. access no pen.
Stroud	7.75	9.00	8.55	3 months, 8.30 £10,000+, no penalty, no notice
Sussex County	6.75	8.40	8.10	7 days' not.; 8.3% sx. ac.; 8% share a/c £2,500+
Sussex Mutual	7.35	8.75	8.50	Over £5,000 imm. wdl. Under £5,000 7 days' not.
Thrift	7.60	—	8.60	3-year term. Other accounts available.
Town and Country	6.75	7.75	8.75	90 d. not. or pen. No not./pen. if bal. £10,000+
			8.25	7 d. not. or pen. No not./pen. if bal. £10,000+
Wessex	8.60	—	—	No notice—no penalties—min. inv. £1
Woolwich	6.75	—	8.00	7-day account, 7 days' notice
			8.25	Monthly Income Account, 28 days' notice
			8.50	90-day account, 90 days' notice/penalty
Yorkshire	6.75	7.75	8.50	Diamond key, 28 days' notice or 60 days' pen.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK COMPANY NEWS

Assoc. Newspapers advances to £21.75m

THE FORECAST second-half slowdown at Associated Newspapers Holdings has not materialised. Following mid-term figures up from £6.99m to £8.36m, the group, which publishes the Daily Mail and the Mail on Sunday, has raised pre-tax profit from £16.46m to £21.75m for the year ended September 30 1984.

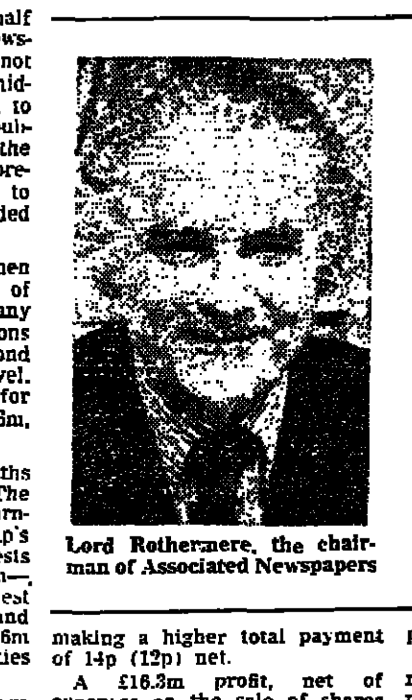
At the interim stage, when reporting trading earnings of £6.28m (£3.99m), the company said that competitive conditions were likely to cause the second half figure to be at a lower level. In the event, trading profits for the period came out at £11.86m, against £6.84m.

Turnover for the 12 months rose by £62.43m to £357.8m. The largest increase in pre-tax earnings came from the group's North Sea oil and gas interests —up from £4.69m to £7.79m— which now make up the greatest slice of profits. Newspapers and magazines contributed £6.46m (£5.71m) and other activities added £7.31m (£6.06m).

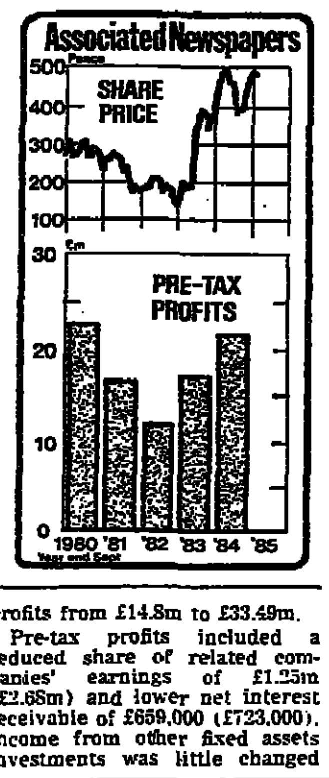
Earnings per 25p share are shown at 51.4p (44.3p) before extraordinary items, and as 110.2p (48.7p) after. The final dividend is raised by 2p to 9.5p making a higher total payment of 14p (12p) net.

A £16.3m profit, net of expenses on the sale of shares in Reuters Holdings, was included in extraordinary credits of £17.86m (£1.34m). These pushed up net attributable profits from £14.8m to £33.49m.

Pre-tax profits included a reduced share of related companies' earnings of £1.25m (£2.66m) and lower net interest receivable of £659,000 (£723,000). Income from other fixed assets investments was little changed at £2.97m (£2.96m) but amounts written off investments increased from £0.73m to £1.27m.



Lord Rothermere, the chairman of Associated Newspapers



Tax charge rose from £3m to £4.93m and minorities took £1.2m (added £12,000). After taking account of the extraordinary items and dividends costing £4.26m (£3.65m) an amount of £29.23m (£11.16m) was transferred to reserves.

On a current cost basis, pre-tax profits were £19m (£13.8m) and attributable results came out at £30.8m (£12.1m).

● Daily Mail and General Trust, the investment holding company which owns 49.95 per cent of Associated Newspapers' equity, raised its net asset value per 50p share from 1,073p to 1,217p in the year to end-September 1984. Total valuation of investments was £114m (£104.5m).

After-tax profits more than doubled from £9.09m to £18.61m, but included a £8.82m (£0.67m) proportion of extraordinary items. Stated earnings per share were 39.8p (34.5p) and the final dividend is 4p higher at 26.5p net for a total of 38.5p (34.5p).

● **comment**

Probably the most secretive company quoted on the Stock Exchange, Associated Newspapers, non-plussed analysts with better than expected final figures. Its sparse interim statement had warned of a second half trading downturn. In the event figures from all divisions were up with North Sea oil and gas doing particularly well. The publication of an annual report from Blackfriars Oil should throw further light on Associateds oil interests. It is not clear where the U.S. publishing subsidiary 13-30 is included in these figures, acounted for as a subsidiary for the first time rather than an associate company. Analysts expect it to show an improvement. The Mail on Sunday is thought to be still losing money with still no early opportunity to lift advertising rates. For all its coyness, the strong asset backing with the Reuters interest makes Associated a reasonable investment. The shares rose 5p yesterday to close at 530p. Early guesses at the current year pre-tax profits range from £25m to £28m. At the lower level, on a notional 35 per cent tax charge, the PE is over 10.

Panel rejects Gregory request

By Charles Batchelor

THE TAKEOVER PANEL yesterday turned down a request from Gregory Securities to be allowed to reduce the value of its £2.62m bid for Glanfield Lawrence, the motor dealer.

After its third full hearing to consider the course of the Glanfield bid, the Panel ruled that Gregory must continue with its 49½p offer and post its documents to shareholders by January 18.

In early December the Panel gave permission to Gregory, a private investment company headed by Mr Jim Gregory, chairman of Queens Park Rangers football club, to reduce its bid from 55p because Glanfield had revised its profit's forecast. Gregory then sought a second reduction on the value of the bid.

Mr Gregory confirmed after the hearing that he would be going ahead with his bid. "I am sure we can make Glanfield Lawrence a lot better," he said. "We will have to work on it but we have very capable people."

Glanfield initially forecast it would make pre-tax profits of not less than £250,000 in 1984, but later revised this to only slightly better than break-even while it will also make an extraordinary loss of £225,000.

Glanfield's shares are currently suspended from trading on the Stock Exchange at 52p.

Wheway Watson £0.9m in the red as miners' strike bites

BY STEFAN WAGSTYL

INCREASED LOSSES and the resignation of two directors are announced by Wheway Watson Holdings, a troubled West Midlands chainmaker, engineer and forger which has been hit by the miners' strike.

Pre-tax losses for the year ended September 30 1984 were £915,000, against £638,000 for the previous 18 months.

The company puts the estimated cost of the strike at about £800,000, due to a decline in orders from the National Coal Board which normally buys 35 per cent of group sales.

Turnover was down sharply to £18.2m, from £27.2m, partly because of the loss of NCB orders and partly because of extensive closures and disposals.

Borrowings are largely unchanged over the year at £3.7m, but the continuing losses have reduced net assets to about £3.1m. The company is not paying dividends for the year, compared with 0.05p net in the previous period.

Mr Ted Jeynes, the chairman, said: "Every effort is being made to limit the extent of losses during the current financial year and to ensure that borrowings do not increase while the miners' dispute continues." He was confident the company would return to profits once the effects of the dispute were over.

The two directors to resign from the board are Mr Jack Shapespeare, who joined Wheway in 1980 when the group took over his family-owned forging business, and Mr Glyn Davies, who has been with Wheway many years.

Mr Jeynes said they had resigned as the company's cut-backs had led to a need to reduce management. Mr Shakespeare, with whom there has been "an element of disagreement over policy," was leaving the company, but Mr Davies would stay on in an executive role.

The group made a £30,000 trading profit (£473,000), achieved before interest payable of £476,000 (£801,000) and exceptional items—stock provisions, redundancy and rationalisation costs—of £470,000 (£310,000). After a tax credit of £2,000 and £35,000 extraordinary charge for closure costs, the attributable losses were £948,000 (£736,000).

Wheway, in which the U.S. engineering group Colombus McKinnon has a 31 per cent stake, last made a profit in 1979-1980 when it was hit by the recession in the West Midlands engineering industry. The shares yesterday were unchanged at

Ex-Atlanta chief buys into Bestwood

By Alexander Nicoll

MR TONY COLE, who headed Atlanta Investment Trust until it was taken over last month by Mr Vasant Advani's Grovebell Group, has moved quickly in the search for another vehicle through which to offer financial services.

He disclosed yesterday that he had bought 29.9 per cent of Bestwood, a holding company with a printing subsidiary and a stake in a drilling company. The stake was sold by Bricomin Investment Trust.

Mr Cole said he had not yet been in contact with Bestwood's directors, but had requested an early meeting through the company's brokers, Grieveson Grant. He described Bestwood as a "very interesting investment situation."

The price at which the 460,000 shares changed hands was not disclosed. Bestwood shares yesterday gained 21p to 234p, valuing the company at £3.65m.

Mr Cole is still officially employed at Atlanta, and is believed to be negotiating the purchase of at least some of its financial services business, including fund management, from Grovebell.

Rationalisation costs increase Ratners losses

TRADING WAS below expectations at Ratners (Jewellers) in the six months to October 6 1984, with turnover at £11.32m compared with £11.49m. In addition, says Mr L. M. Ratner, the chairman, significant costs were incurred on rationalisation measures completed throughout the group during the period. An increased pre-tax loss of £660,000 against £373,000 was returned.

Despite these figures a same-again interim dividend of 0.67p net is declared. Last year's 2.3p total was paid on taxable profits of £1.07m.

The chairman stresses that the group's trading for the first half is traditionally not a fair indication of its performance for the year as a whole. The Christmas season, which is essential to the group's annual profits, has been successful he says, with a 15 per cent increase in sales over 1983.

Terry's (Jewellers), which operates 26 jewellery shops in the south of England, and which the group acquired in December, has also registered a good sales gain during the Christmas season.

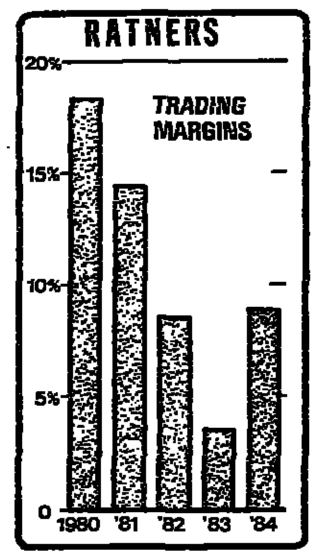
The directors are expecting a satisfactory outcome for the year and in the longer term are confident of the prospects for the enlarged group with its strengthened retailing base. Mr Ratner says.

There was no tax charge this time (£85,000), and losses attributable to shareholders emerged at £560,000 against £206,000 after an extraordinary credit of £252,000, being the pre-tax profit on property sales.

Stated net loss per 10p share came out at 1.89p (1.54p).

● **comment**

Practically all of the £187,000 increase in Ratners' first-half losses comes thanks to the costs of redundancies and clearing at a discount slow-moving or redundant stocks. The new managing director, Mr Gerald Ratner, has been spring cleaning with a vengeance. The average annual stock turn has risen from 1.9 to 2.3, and the group has shifted towards cheaper more popular products, having found that its up-market drift of recent years was threatening to land it in a cul-de-sac. The change of strategy is already showing signs of paying off, with a 15 per cent increase in December sales, which customarily account for 30 per cent of total turnover and all of the year's profit. That, plus the first contribution from Terry's—which has been consolidated without its first-half losses—indicates that a full-year taxable profit of £1.6m should easily be in reach. The shares rose 1p to 59p, 11 times prospective earnings after a nil tax charge.



Bailey 'B' shares jump by 38p

Shiprepairer C. H. Bailey yesterday saw the price of its "B" shares, which account for 8 per cent of its equity, but 90 per cent of voting power, rise 38p to 148p, following Thursday's 9p gain.

The jump followed Thursday's disclosure that Mr Christopher Bailey, the company's chairman, has disposed of about a quarter of his holding of ordinary shares. No change has been disclosed in his holding of "B" shares, last recorded at 2.5m or half the total issued in that class.

Mr Bailey, who recently met criticism from shareholders at the company's annual meeting, was not available for comment yesterday.

Ladbroke to spend £7m on providing more comfort

BY ALEXANDER NICOLL

Ladbroke Group, the bookmaking, property and hotels group, yesterday clinched victory with its £77m bid for Comfort Hotels International, making it Britain's second largest hotel operator.

After declaring its offer unconditional, Ladbroke announced a £7m refurbishment programme for Comfort, which will add 22 hotels, including nine in London, to Ladbroke's 35. The combined room count is 6,250.

Ladbroke intends to upgrade all the Comfort properties and to push some of them further up market.

The Ladbroke bid, which had shut out a prior offer from Mr Harry Goodman's Intasun Leisure, won acceptances representing an overwhelming 87.8 per cent of ordinary shares, giving it control of 89.1 per cent overall. The offer remains open.

Of 54.86m shares for which acceptances were received, only 1m were for the 35p cash alternative. The remainder opted for Ladbroke's five-for-14 share offer, which was worth 99p per Comfort share at yesterday's Ladbroke close of 276p, down 3p.

Comfort directors, headed by chairman Mr Henry Edwards, had grudgingly agreed to the Ladbroke offer, recommending it to shareholders as realistic, but asserting that the terms did not reflect Comfort's growth prospects.

Ladbroke was advised by Morgan Grenfell and Comfort by Kleinwort Benson.

Turnbull Scott adds to fishing fleet

Turnbull Scott Holdings is expanding the fishing side of its operations and expects to bring two further vessels into operation this year.

Mr Graham Turnbull, chairman, said yesterday that he was "firmly confident of the future of the fishing industry and of Grimsby" despite the company's short time in the fishing business.

The group is the largest operator out of Grimsby. It entered the fishing business in late 1981 with the purchase of Fred Parkes, and this year expects to be owning, managing or operating between 65 to 70 vessels.

The chairman said that Turnbull had already experienced the cyclical nature of the fishing industry and was now firmly committed to expansion there.

The group has ordered two of the Flyshooter type of fishing vessels from McDuff, a Scottish shipbuilder.

The group—which on Thursday announced interim pre-tax profits of £132,000 (£140,000) for the six months ended September 30 1984—is closing its fish processing operation following continued losses. The chairman said that if other opportunities in this line of business presented themselves the company would consider them.

Espley Trust listing suspended

By Michael Cassell

Shares in Espley Trust, the property group formerly run by Mr Ronald Shuck, were temporarily suspended yesterday following a report that a winding up petition had been laid in the companies division of the High Court.

Last month Mr Shuck was dismissed as managing director and the group said it was also starting legal proceedings against him in connection with the purchase of property in Scotland by Espley.

A statement issued last night by the group said that winding up petitions against Espley Trust and Espley Tyas Properties, a wholly-owned subsidiary, had been settled last month. As a result, they had been, or would be, withdrawn.

The statement added that the group's housebuilding operations had now been run down and the subsidiaries involved would be placed in creditors voluntary liquidation "as soon as practicable."

The group also disclosed that it was in negotiations for the sale of its 44 per cent shareholding in American Property Group, the development operation active in New Jersey. The offer would attribute a value of about $10m to this investment and shareholders approval would be sought at the appropriate time.

Mr Ronald Aitken, the new chairman, said that a shareholders' statement giving information on the group's affairs and the proposed U.S. disposal would be issued in February.

Wheeler's restaurant issue raising £1.4m

BY WILLIAM DAWKINS

THE LATEST dish to be set before Business Expansion Scheme investors is a proposal to establish three London restaurants to be run under the Wheeler's name.

Baltic, the financial services group which recently graduated from the USM to the full market, is asking investors to subscribe up to £1.43m for the project. It is issuing up to 1.15m shares at £1.25 each in Heathgate Restaurants, which will be the holding company for the restaurants. The Inland Revenue has given conditional clearance for BES tax relief.

Kennedy Brookes, the fully-listed restaurant group, owns four Wheeler's establishments and has agreed to subscribe an additional £312,500 to the issue. It will own between 18 per cent and 29 per cent of Heathgate, depending on how many shares are subscribed for by the public.

The restaurants are to be sold in their completed state to Heathgate for a total of £1.39m, although the company has the option not to buy the £460,000 Harrow premises if the issue fails to raise enough cash.

Applications must be made in multiples of 400 shares up to a maximum of 32,000 units and the offer closes on February 20.

Sun Life now a major force in unit-linked market

THE NEW business figures for 1984 issued by the Sun Life Assurance Society confirm that this traditional life company has now become a major force in the unit-linked life and pensions market, for both annual and single premiums.

Total new annual premiums last year rose by 3 per cent from £45.5m to £46.9m, the decline in traditional life premiums being offset by the rise in unit-linked business. Single premium sales last year rose 11 per cent from £168.5m to £187.3m, the bulk of the increase coming from unit-linked sales.

Indeed, total linked single premiums just managed to pass the £100m mark last year, reaching £100.3m, with all main areas showing good growth. Sales of linked life bonds rose nearly 20 per cent from £59.6m to £70.1m, self-employed pension single premiums by more than 30 per cent from £11.3m to £14.9m, and other individual pensions by over 80 per cent from £8.3m to £15.3m—the latter figure reflecting the growing market in buy-out annuities.

Linked annual premium business was also buoyant, amounting to £14.2m. Annual premium life business climbed by a quarter from £4.9m to £6.2m, despite the ending of Life Assurance Premium Relief. Self-employed linked annual premiums more than doubled

High Court win for Hobson over suspended MD

The board of Hobson, the USM-quoted maker of aluminium dies, has won a High Court victory against Mr George Nicholson, the group's temporarily suspended managing director.

Mr Nicholson was suspended from executive duties just before Christmas for two months on full pay. Earlier this week, he obtained an injunction preventing the suspension.

Mr Justice Harman yesterday discharged the injunction on the grounds that it was inappropriate. Hobson is not divulging the reason for Mr Nicholson's suspension.

The group's shares yesterday gained 2p to 24p, which compares with the June placing price of 25p.

Spring USM quote planned for Moorgate

The Moorgate Group, a City of London based financial services concern, is planning to join the Unlisted Securities Market in March or April.

Moorgate, which was founded in 1979, is expected to achieve a market capitalisation of more than £4m. It specialises in developing savings and investment products, and offers services in marketing consultancy, design, advertising and financial public relations.

Moorgate's clients include large insurance companies, fund management and unit trust groups.

Hestair identifies nominee holdings

Hestair, the vehicle, educational supplies and toy manufacturer, has identified nominee holdings totalling 4.8 per cent of the company which appeared effectively to be one holding.

The dustcart, bus and farm equipment maker said it had not identified the owner of the stake. Hestair recently reported a pre-tax loss for the half year ended July 31 1984 but forecast a better second half.

The share price rose 8p to 65p.

Co-op Insurance hit by LAPR withdrawal

The Co-operative Insurance Society reports its new life business in 1984 affected by the loss of Life Assurance Premium Relief. New annual premiums for life business in the Ordinary branch fell nearly 9 per cent from £25.1m to £23m.

In the Industrial Branch, total premiums moved ahead slightly from £31.6m to £32.5m. However, last year's results included three extra weeks business compared with 1983 and the underlying trend was down.

The Society's self-employed pensions business doubled last year with new annual premiums rising from £1.9m to £3.7m.

Edinburgh Secs.

Edinburgh Securities Company is to change its name to Edinburgh Oil and Gas to better reflect the concentration on oil-related investments. Around one-half of assets represent direct exploration and production interests.

Church insurer increases stake in St Andrew Trust

BY ALEXANDER NICOLL

THE Ecclesiastical Insurance Office, a charity owned company which insures churches as well as providing life insurance and other services, has increased its holding in St Andrew Trust, triggering a full bid which is not intended to succeed.

The Office was founded in the last century by Anglican clergy to keep profits made from insuring churches within the control of the church. It insures buildings, such as York Minster, one wing of which was destroyed by fire last year.

In 1983 it took a 29.9 per cent stake in St Andrew, a £45m investment trust managed by Martin Currie of Edinburgh. However, a holding of this size can only be partly included when calculating an insurance company's solvency ratios.

A one-third stake can be included entirely in the ratio, so the Office has increased its holding to 33.4 per cent by buying 385,000 shares at 312p each. Having breached the 29.9 per cent level it will make an offer at this level, purely to comply with the City Code on Takeovers.

The bid price values St Andrew at £35.7m, at a discount of about 23 per cent to net asset value.

St Andrew shares yesterday rose 8p to 303p, remaining below the bid price.

St Andrew invests in smaller companies offering scope for profit and dividend growth, and the Office said it regarded it as a good quality trust under skilled management. It has a seat on the St Andrew board. St Andrew advised shareholders to take no action.

COMPANY NEWS IN BRIEF

Pre-tax profits moved ahead from £1.78m to £2.39m for the half-year to October 27 1984 at footwear and luggage manufacturer Peter Black Holdings.

Turnover during the period rose from £29.95m to £39.01m, and the directors say that both the profit and sales figures reflect the high investment over the past years in new and existing parts of the company's business.

An interim 0.525p dividend is being paid, against an adjusted 0.4725p. Last year's adjusted 1.4525p was paid on taxable profits of £3.97m. The company's products are currently selling well, the directors add, and they look forward to further progress.

After tax of £1.19m (£928,000), stated earnings per 25p share emerged at 3.73p (2.68p adjusted).

* * *

Carr's Milling Industries says acceptances have been received for 1,107,851 new ordinary shares, representing approximately 88.6 per cent of the 1,250,000 shares offered by the company by way of rights.

* * *

Yearling bonds totalling £9.25m at 10¼ per cent, redeemable on January 15 1986, have been issued by the following local authorities: Bury Metropolitan Council £0.25m; East Hampshire District Council £0.5m; Rhonda BC £1m; Merthyr Tydfil BC £1m; North Hertfordshire DC £0.5m; Wansbeck DC £0.25m; Wellingborough (Borough of) £0.25m; Renfrew DC £1m; Hillingdon (London Borough of) £1m; Newark DC £0.5m; Redditch DC £0.5m; Cynon Valley (Borough of) £0.5m; Northampton (Borough of) £0.5m; Sunderland (Borough of) £1m.

* * *

Nottingham Brick says that of the 1,349,965 new ordinary shares it offered at 115p per share, each by way of rights, 1,316,601 (90.12 per cent) have been taken up.

* * *

Bengal Oil and Gascorp is issuing 140m new shares to raise $2.8m (£2.45m). Anglo Swiss Energy, a Luxembourg investment company, is acquiring 100m of these, and Bristol Oil, Bengal's major stockholder, the remaining 40m.

The funds will enable the company to repay a substantial proportion of its existing loans, and to provide for drilling expenses.

* * *

Staffs Potteries has sold its subsidiary, Staffordshire Potteries (Canada) to Bridgman Importing for C$906,659.

The sale will be for a nominal amount, but C$851,760 is to be paid in respect of inter-company indebtedness and the group has also retained title to the receivables of the Canadian subsidiary which had a value of C$356,898 on December 31 1984.

Some C$441,000 is due by February 1 1985 and the remainder by March 1 1986.

* * *

Five directors of East Lancashire Paper Group have resigned following its takeover by British Syphon Industries. Mr Dennis Holt stays on as finance director but Mr John Seddon, managing director, has resigned despite initial agreement that he should remain and join BSI's board.

Mr Seddon, who will not now become a BSI director, becomes entitled to a payment of £100,000 under revised terms of employment recently approved by East Lancs shareholders.

* * *

The Birmingham Mint has announced that, of the 612,739 new ordinary shares offered by way of rights, 549,810 shares, or 90 per cent of the allotted shares have been taken up.

* * *

Dewhurst & Partner, maker of electric and motor control equipment, raised pre-tax profits from £186,000 to £215,000 for the year to September 30 1984 on turnover of £3.75m, against £3.55m.

The final dividend is higher at 0.5p (0.45p) net making a total payment of 0.75p (0.675p). Earnings per 10p share dropped from 2.61p to 1.81p.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Terms of the long-awaited merger between Peninsular and Oriental Steam Navigation and Sterling Guarantee Trust are expected to emerge on Monday. Dealings in the shares of the two companies, both headed by Sir Jeffrey Sterling, were suspended on Wednesday pending publication of the details. Analysts expect that the merger will take the form of a bid by P & O for Sterling Guarantee.

London and Midland Industrials came back with an increased £8.4m offer for Hoskins and Horton, the hospital equipment and engineering group, and so topped last week's revised £8.3m bid from Scottish Heritable Trust. The new LMI terms, seven of its own shares for every four Hoskins, have the backing of the Hoskins board.

C H Beazer, after failing with a £21.5m offer for Newcastle-based housebuilder William Leech last July, eventually won over the Leech board and Mr William Leech, the company's founder, with a new bid worth £25m. The revised bid terms are 165p of 8¼ per cent convertible loan stock for every Leech share. Beazer's other ambitious takeover move, a £48m bid for Bath and Portland, will be allowed to lapse in the face of Consolidated Gold Fields' £61.5m agreed offer.

RMC, the ready mixed concrete supplier, has taken near-total control of Rheinisch-Westfaelische Kalkwerke (RWK), a West German limestone producer. RMC paid £22.2m to top up its stake in RWK from 49 per cent to above 99 per cent. The deal was financed by a vendor placing of 5.9m RMC shares. RMC also announced a £5.2m cash acquisition of the assets of Allied Products, a U.S. concrete producer based in Atlanta, Georgia.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Aeronautcl & Gen	330*	330	338	13.2	Landis & Gyr
Anglo-Scot Inv	¶¶	159	156	¶¶	Japan Assets
Atlanta Inv	141§§	130	91	5.68	Grovebell
Bath & Portland	249§§§	294	225	39.61	Beazer (C. H.)
Bath & Portland	301§*	294	277	61.39	Cons Gold Fields
Causton (Sir J.)	110††	117	105	18.69	Norton Opax
Churchbury Ests	764§§	760	745††	55.07	Greycoat Offices
Comfort Hotels	98¶	99	71	61.49	Ladbroke
Cullen's Strs Ord	475*	470	365††	4.75	Whatling (IOS)
Cullen's Strs 'A'	375*	370	260††	3.75	Whatling (IOS)
Currys	613§§	604	311	285.52	Dixons
Elsen & Robbins	92§§	86	68	9.11	Hartons Group
Glanfield Lawrce	49½*§	52††	49	3.60	Gregory Secs
Hambro Life	550*	537	498††	663.0	BAT Inds
Harrison, T. C.	74*	69	49	16.7	Harrison, T.C. Grp
Hoskins & Horton	311½§	307	188	8.46	Lon & Mid Inds
Hoskins & Horton	311½§§§	307	270	8.46	Scottish Heritable
Kent (M. P.)¶	82½§§	77	67	35.39	Beazer (C. H.)
Leech (Wm.)	173●§	178	134††	25.95	Beazer (C. H.)
Lon & Mchstr Secs	9	9	10½	2.91	Amal Estates
Moray Firth Malt	382§	7	340	16.67	Scot & Newcastle
Powell Duffryn	447§	432	340	169.32	Hanson Trust
Voyaker Petrolm	55*	55	51	5.50	BP
Websters Group¶	140§§	133	140	17.71	Octopus Publshg
Whittington	25½§§	24	22	10.97	Aitken Hume

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ** Based on January 11 1985. †† At suspension. §§ Shares and cash. ¶¶ Related to NAV to be determined. ● Loan stock.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Albion	Sept	252	(81)	—	(—)	0.6	(—)
Barr, AG	Oct	3,170	(3,590)	31.5	(34.5)	7.5	(6.75)
Boulton, W	June	1,330L	(787)L	—	(—)	—	(0.1)
Guinness Peat	Sept	10,500	(2,070)L†	—	(—)	0.8	(—)
Horne, Robert	Sept	6,550	(4,090)	12.2	(9.8)	2.5	(—)
JFB	Sept	4,110L	(10,890)L	—	(—)	—	(—)
Morceau Hldgs	Sept	1,580	(901)	11.8	(6.7)	1.6	(—)
Valin Pollen Int'l	Sept	603	(275)	7.6	(3.5)	2.0	(—)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
ASDA	Nov	53,700	(48,740)	1.15	(1.04)
Asprey & Co	Sept	3,300	(3,025)	7.0	(6.0)
Berk & Hay Hills	June	123L	(182)L	—	(—)
Bespak	Nov	1,380	(1,050)	1.75	(1.5)
Brasway	Oct	401	(195)	0.75	(0.5)
Brit Benzol	Sept	532L	(26)	—	(—)
BT	Sept	684,000	(462,000)	—	(—)
Carclo Eng	Sept	1,400	(1,090)	3.5	(2.6)
Checkpt Europe	Sept	129	(104)	—	(—)
Electronic Rental	Sept	7,490	(4,430)	1.17	(1.17)
Ellis & Everard	Nov	1,870	(1,160)	2.5	(2.27)
Hollas	Sept	454	(423)	1.0	(1.0)
Howden Group	Oct	4,010	(3,710)	0.9	(0.8)
Jones Stroud	Sept	1,540	(1,560)	2.5	(2.5)
Magnet & Sthrn	Sept	16,910	(17,280)	2.0	(2.0)
Mountleigh	Oct	1,110	(832)	2.0	(1.0)
New Crt Nat Res	Sept	779	(828)	—	(—)
Radiant Metal	Aug	87	(48)	1.0	(—)
Robertson Res	Sept	1,170	(824)	—	(—)
Rotaprint	Sept	443L	(65)L	—	(—)
Thorn EMI	Sept	55,800	(40,200)	5.0	(5.0)
Tomkins, FH	Oct	1,220	(558)	0.78	(0.64)
Turnbull Scott	Sept	132	(140)	3.0	(3.0)
Xyllyx	Sept	177L	(61)L	—	(—)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net pence per share, except where otherwise indicated. † For 17 months.

Offers for sale, placings and introductions

RMC—vendor placing of 5,913,699 shares in RMC at 378½p per share.

Rights Issues

Shire Investments—raising £2.38m through a rights issue of 11 per cent convertible unsecured loan stock 2003/4 at £110 per £100 stock on basis of £10 nominal plus 1 warrant for every 16 shares or 16 warrants held.

Spafax Television—usm placing of 30.4m shares at 65p per share.

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UK COMPANIES

RESULTS DUE NEXT WEEK

Davy Corporation has made enormous efforts to cut costs to match the decline in demand in the world engineering contracting markets. Some of the benefits should be apparent in the group's interim results for the half year to the end of September, due on Thursday. In particular, losses in Germany should be sharply down following severe rationalisation. However, the City is waiting anxiously to see if there will be more provisions on a huge and troubled Soviet petrochemicals plant contract, for which the now-closed Cologne office was responsible. New mega-orders are as scarce as they have ever been in the 1980s—but the USSR still remains one of the most likely clients. Meanwhile, Davy is trying to keep busy with smaller contracts, particularly in mining which has won orders from the Californian gold mining industry. Pre-tax profits are expected to be £4.5m to £5.5m, up from £3m.

The great imponderable in **Dowty Group's** interim figures for the half-year to the end of September, due on Thursday, is the continuing impact of the NUM strike. Although the mining division is declining in relative importance—it now provides less than 20 per cent of group profits—its performance will clearly hold back the group as a whole. In particular, it may restrain growth in the industrial division, from which it buys hydraulic equipment. Elsewhere, the aerospace and defence side is expected to show a strong improvement on the back of increased demand from civil airlines, and the electronics businesses, expanded by the May acquisition of Gresham Lion, should also be well ahead. The City is expecting to see pre-tax profits up from £11.9m to £18m to £20m, though more cautious forecasters put the figure as low as £15m.

Falling reorganisation costs should have provided the chief momentum behind **Arthur Guinness'** profits growth in the year to last September. The group's results (due Tuesday) are expected to show that exceptional costs have declined from £10.3m in 1983 to perhaps as little as £4m in the past 12 months. Guinness's marketing drive has been successful in pushing up volumes in the UK and Ireland, but the group's restraint over prices indicates that the effect on margins could be muted. The group is making much stronger headway in the U.S. and Continental Europe, while good results are also expected from a buoyant Malaysian market and Nigeria, where new plant has recently come on stream. Overall, the City is looking for a rise in taxable profits from £58.8m to £70m or more, with the total dividend up from 5.76p to around 6.5p net.

The inexorable expansion of **MFI**, the flat-pack furniture retailer, continues with a target of a 23 per cent increase in sales space to 4m sq ft by the end of the current year. The company is also broadening the range of goods in its stores including kitchen appliances and more bedroom ranges. Interim figures for the *six months to August*, expected on Thursday, should reveal pre-tax profits of around £19m up from £15.6m, with a rise in the net dividend from 1.7p to 2p. There are signs that the company is beginning to depend increasingly on new openings for increased volume as growth from existing stores appears to slow down.

The battle to win control of Currys which has occupied the board of electrical retailers **Dixons** recently, does not appear to have detracted from Dixons' own performance where sales in the retail division are reported to be up 35 per cent. The directors have already said that pre-tax profits for the six months to September will exceed £12m so few surprises are expected when the figures are revealed.

The net dividend is likely to be 2p, up from 1.6p. Attention is fixed firmly on the future and how Dixons incorporates Currys into its business, of which there will be much more indication at the year end.

In a business as volatile and mysterious as commodities, few analysts are prepared to estimate too precisely the outcome for **S. & W. Berisford** in the year to last September, due to be announced on Thursday. The rough consensus is that taxable profits should rise from £55.6m to in the region of £80m. The main feature will be around £20m in loss elimination from the Erlanger tubular pipe business, disposed of at the turn of the year under review, although Erlanger has also left behind it a hefty interest bill, amounting to £5m at the half-way stage. Sugar profits could be down slightly in a poor market, while cocoa and coffee trading has been more profitable and a small recovery is expected from food merchanting. A 1p rise in the total net dividend to 10.5p looks on the cards.

Market expectations for **Trusthouse Forte's** results, out Wednesday, are grouped around the £110m (£82.1m) area including profits on property disposals which should be in the region of £12m. The group has undoubtedly enjoyed a boom year at home with its London hotels experiencing a high level of occupancy rates on the back of buoyant tourist traffic. Its provincial hotels, too, are thought to have reported a reasonably good year, largely thanks to a steady level of business travellers. Earnings from the U.S. TraveLodge subsidiary (which reports quarterly) have been rising in dollar terms so, after translation, THF should see a boost to sterling earnings: but it does have a fairly high figure for dollar debt which will offset some of the impact.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Abbey Panels Investments	Friday	—	—	0.76
Ailsa Investment Trust	Monday	0.7	1.15	0.5
Berisford S & W	Thursday	3.0	6.5	3.5
Bett Brothers	Wednesday	1.0	1.65	1.2
Blue Arrow	Monday	—	—	—
Body Shop International	Monday	—	—	—
Brint Investments	Monday	—	—	—
County Properties Group	Wednesday	1.65	1.0	1.0
Fleming Claverhouse Investment Trust	Monday	2.25	5.25	2.5
Gestetner Holdings	Friday	0.5	0.82	0.5
Glass Glover Group	Wednesday	0.9375	1.875	1.375
Guinness, Arthur & Sons	Tuesday	1.6555	4.1	1.82
Heavitree Brewery	Tuesday	—	—	—
Kennings Estates	Wednesday	—	—	—
London Scottish Finance Corp.	Monday	0.75	1.75	0.9
Oakwood Group	Thursday	2.0	4.5	—
Raeburn Investment Trust	Wednesday	3.25	5.15	3.25
S.G.B. Group	Thursday	2.3	3.3	2.3
Southern Business Leasing	Wednesday	—	1.25	0.75
Southvaal Holdings	Thursday†	215.0	180.0	200.0
Standard Securities	Wednesday	1.0	2.2	1.15
Vaal Reefs Exploration and Mining	Thursday†	585.0	610.0	600.0
Warner Holidays	Monday†	—	—	—
Western Deep Levels	Thursday	210.0	215.0	185.0
INTERIM DIVIDENDS				
Atlantic Assets Trust	Thursday	—	0.5	
Banks Sidney C.	Thursday	—	0.5	
Bromsgrove Casting and Machining	Tuesday	2.75	5.25	
Centrovincial Estates	Tuesday	0.75	2.0	
Control Securities	Wednesday	4.286	4.286	
Country and New Town Properties	Monday	1.575	1.575	
Cray Electronics Holdings	Thursday	0.4	0.85	
Davy Corporation	Monday	0.566	1.716	
Dixons Group	Thursday	1.1	2.585	
Ferguson Industrial Holdings	Thursday	1.6	3.4	
Fleming Technology Investment Trust	Monday	—	—	
Gnome Photographic Products	Wednesday	0.8	1.4	
Independent Investment Co.	Tuesday	4.5	5.25	
MFI Furniture Group	Thursday	1.7	2.9	
Northamber	Thursday	—	—	
Samuel H.	Tuesday	1.0	3.16667	
Sommerville William & Son	Friday	0.55	3.95	
Stock Conversion & Investment Trust	Thursday	2.0	3.5	
Westpool Investment Trust	Tuesday	0.344	1.098	

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † Cents per share.

Stead & Simpson forecasts all-round improvement

HIGHER profits and dividend are forecast for the year ending March 31 1985 Stead and Simpson, the footwear retailing and motor trading group.

For the first half turnover has risen by £2.63m to £28.85m and the profit before tax by £814,000 to £2.48m. Partly to reduce the disparity between payments the interim dividend is being lifted from 1.5p to 2p net; but in view of the anticipated growth in profit for the year over the previous £4m, the final will not be less than last year's 4p.

That included an 0.5p anniversary payment, so the total for the current term will reflect at least a 1p real increase.

Footwear trading was "extremely buoyant" giving a 50.3 per cent increase in trading profits to £2.23m on a 15.2 per cent rise in turnover. Trading in the third quarter has been "somewhat disappointing" because of the abnormally mild weather; but turnover rose 6.6 per cent and profits for this period should at least match the exceptionally good figures of last year.

Profits of £308,000 (£292,000) from motor trading are considered very satisfactory, as they were achieved in the face of the metal workers strike in West Germany (group dealerships include Audi, Volkswagen and Mercedes-Benz) and stiff competition. Profits have improved in the third quarter.

The loss sustained by Charisma Home Parties party plan has risen to £41,000 (£33,000) in the period, but is likely to be substantially reduced. The products sold in the plan are English bone china, porcelain and crystal.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
D. C. Thomson§	35	—	32.25	35	32.25
Assoc. Newspapers	9.5	Feb 22	7.5	14	12
Peter Black ... int.	0.53	April 26	0.47*	—	1.45*
Circaprint	0.72	Feb 28	—	0.7	—
Daily Mail & Gen.	26.5	—	22.5	38.5	34.5
Dewhurst & Partner	0.5	April 1	0.45	0.75	0.68
Multitone Elec. ... int.	1.1	—	1.05	—	2.65
Oldacre ... int.	1.5	—	2	—¶	3.5
Ratners ... int.	0.67	March 7	0.67	—	2.3
Stead & Simpson ... int.	2	—	1.5	—	5.5

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ 4p total forecast.

INTERNATIONAL COMPANIES and FINANCE

A British case of wine could cost Deak's gold investors dear

BY DAVID DODWELL IN HONG KONG

MR JUSTICE OLIVER and the case of a cellar full of vintage wine were yesterday *exercising the minds of Hong Kong* Securities Commission officials involved in the collapse of Deak Perera, the U.S.-controlled gold and foreign exchange dealing group.

Absurd as it may seem, their success in discovering more about an obscure court case heard in Britain in 1975 by Mr Justice Oliver may determine whether about 100 Hong Kong investors who joined a "paper gold" scheme organised by Deak Perera (Far East) will get *anything but a fraction of* their investment back.

Their findings might also jeopardise "paper gold" schemes around the world. *These schemes, by which* investors buy certificates representing units of gold bullion, leaving the physical gold in dealers' vaults, have been promoted keenly in the recent past as dealers try to revive investment interest in gold.

The quest for details about the court case—a receiver's application linked with the collapse of London Wine (Shippers) Company Limited almost 10 years ago—began when lawyers being briefed by executives in Deak Perera *to* challenge a winding up order to be heard in Hong Kong on February 4 suggested that physical gold (held by the company to match "paper *gold" investments) should* be seen as company assets, and not as the assets of the "paper gold" holders.

If the court decides the gold belongs to members of the "paper gold" scheme, then they are likely to emerge unscathed from Deak Perera's collapse. If on the other hand, it decides that the gold is a company asset, then it becomes the property of the official liquidator. Holders of "paper gold" will join the mass of unsecured creditors, and will be lucky to get back more than 30 cents in every dollar of investment.

The London Wine (Shipping) case has emerged from obscurity because Mr Justice *Oliver is understood here to* have ruled that people who bought cases of vintage wine from the company under an investment scheme, leaving the physical wine in the cellars of London Wine and merely keeping a certificate recording the transaction, were not the true owners of the wine.

He saw the wine as a company asset, so the cash raised from the sale of it was distributed with other assets to the wider mass of unsecured creditors.

The so-far fruitless search for details of this British court case kept senior staff in Hong Kong's Securities Commission busy throughout *yesterday.*

One official warned: "Unless we can show that this was a self-contained case, a large number of investors are going to be much worse off, and the credibility of "paper gold" schemes will have taken a serious knock."

Mr Noel Gleeson, Hong Kong's registrar general, was appointed provisional liquidator of Deak Perera (Far East) two weeks ago following a government inspector's report that the company was insolvent.

Deak Perera ceased trading in the U.S. early in December, when executives filed for protection from creditors under the U.S. bankruptcy laws. Another Deak subsidiary, Deak Perera Finance, has had its Hong Kong deposit taker's licence revoked on the grounds that it was being managed "in a manner detrimental to the interests of depositors."

Earlier this week, the provisional liquidator revealed that a potential buyer had been found for a third Hong Kong-based subsidiary of Deak Perera, Compass Travel. Since all assets of the company are frozen, the sale cannot be confirmed until the winding-up petition has been approved.

MBB names Maffei consortium

BY PETER BRUCE IN BONN

MESSERSCHMITT - Bölkow - Blohm (MBB), the West German aerospace group, expects negotiations aimed at buying Krauss Maffei, which makes the Leopard 2 main battle tank, from the Flick industrial con*glomerate to be completed in* the next few weeks.

Announcing this yesterday, MBB also released details of the five-member consortium which will bid for 96.4 per cent of Krauss Maffei. The consortium was put together after the German cartel authorities made known their opposition to a straight bid by MBB last summer. They feared it would create a near weapons monopoly in the country.

Officials at the Cartel Office in Berlin said yesterday they were still studying the make up of the consortium. If successful, the bid would leave MBB holding some 12.47 per cent of Maffei.

Possibly the most encouraging presence in the consortium, from MBB's point of view, is the presence of the Dresdner Bank and the Bayerische Vereinsbank, which would take a joint 20.9 per cent stake in the Flick subsidiary.

The two banks this week became the first credit institutions ever to take a stake in MBB itself, when they each bought 5 per cent of the company for an estimated DM 120m ($38.2m).

The banks, it is felt, might be seen by the cartel authorities as a moderating influence on the consortium as a whole, particularly with regard to protecting smaller competitors from the overwhelmingly powerful arms group an MBB purchase of Maffei would create.

MBB proposes to put its own holding in Maffei into Raketen Technik, a missiles operation which it owns jointly with the Nuremburg-based Diehl arms and engineering group.

A Munich lawyer, Dr Hellmuth Schmid, would take 0.15 per cent, wtih the Bavarian regional aid agency, which administers the Bavarian Government's holding in MBB, taking the major, 25.45 per cent, share.

The cartel authorities said yesterday that documents presented to them stated the agency was, in fact, backing the consortium.

The final 24.95 per cent would go to Herr Burkhart Grob, chief executive of Grob Werke, a family-owned company and western Europe's biggest glider manufacturer. Grob Werke, with an annual turnover of around DM 200m, also makes transfer lines and other machine tools for the motor industry.

The MBB consortium is believed to be bidding up to DM 200m for Maffei, which had a 1983 a turnover of DM 2bn.

Beijer to float Kebo subsidiary

By David Brown in Stockholm

INVESTMENT AB Beijer, the Swedish investment company, will float its Kebo subsidiary on the Stockholm bourse following a SKr 135m ($15m) rights issue this spring.

Kebo, which operates mainly in laboratory equipment, hygiene, chemical and biotechnical business areas with annual sales of some SKr 700m, will be restructured before the share issue.

Beijer will shift to Kebo its 30 per cent stake in Calmar, an American market leader in dispensing systems listed on the OTC Exchange in New York, as well as its Mansson subsidiary in Japan which mainly markets medical equipment and health care products.

The moves will strengthen Kebo's international base, Beijer said.

Kebo's Malmsten and Bergwall specialty chemicals group, which accounts for about SKr 500m of its total annual sales, will be transferred to Beijer. The parent company will retain a 66 per cent stake in Kebo after the rights issue.

Bass Brothers disclose stake in Georgia-Pacific

BY ANDREW BAXTER IN NEW YORK

THE secretive Bass Brothers of Texas, whose wealth has been estimated at more than $3bn, have disclosed a 5.5 per cent stake in the Series A convertible preferred stock of Georgia-Pacific, the biggest U.S. forest products group.

In a filing with the U.S. Securities and Exchange Commission, the brothers, who have been involved in several major corporate take-over battles in the past three years, say the shares are being held for investment purposes.

According to the filing the brothers bought 136,000 Georgia-Pacific preferred shares between August 31 and November 6 at prices ranging from $34 to $36 a share. However, 120,300 preferred shares were sold in the same period.

Including shares already held, this leaves the Bass brothers holding 181,300 of the shares, or 5.5 per cent, which under SEC rules must be disclosed.

Bass Brothers Enterprises, the family's company, added that the sales and purchases were "in the nature of arbitrage transactions."

Although Georgia-Pacific stressed yesterday that the Bass Brothers' stake represented less than 0.2 per cent of the company's voting stock, Wall Street watches the Bass Brothers' investments closely, and observers say other investors tend to follow them. Georgia-Pacific's common shares were trading at $26 — a 12-month high — early yesterday after rising sharply on Thursday.

Recovery at Daf Trucks

BY OUR AMSTERDAM CORRESPONDENT

DAF TRUCKS, the Dutch bus and truck maker, will rebound into the black with an Fl 8m ($2.3m) profit for 1984, sharply reversing a Fl 27m loss for 1983.

Mr Aart van der Padt, chairman, attributed the recovery to greater production and deliveries of vehicles, up 17 per cent and 14 per cent respectively, as well as better capacity utilisation. Good results of Daf Trucks Finance, and Daf Special Products, which makes military and aviation parts, also fuelled the turnaround.

Daf Trucks raised its share of European heavy duty truck market by 0.5 per cent last year, while the market itself grew by 1.7 per cent. Deliveries of all types of vehicles reached their highest level since 1979 while stocks were reduced by 11 per cent.

Looking to 1985, Mr van der Padt said the company expected to deliver about the same number of vehicles. A further improvement in net income mostly will depend on price developments in international markets.

Oce registers strong rise in earnings

OCE, the Dutch copier and office equipment group, reports *increased profits and turnover* for 1984.

On sales a tenth higher, profits after tax for the year are 25 per cent ahead at Fls 64m ($18m), up from Fl 51.2m in 1983.

The favourable development of profit and sales occurred in all product areas but in almost all the countries in which Oce operates, the company said.

After expanding its workforce by 250 jobs in 1984, Oce said it plans to enlarge its labour force by a similar amount to total 4,000 workers in the current 12 months.

Buehrmann Tetterode buys U.S. packaging group

BY LAURA RAUN IN AMSTERDAM

BUEHRMANN - TETTERODE, the Dutch paper and machinery group, *has acquired* Astro-Packaging of the U.S., a maker of air-cushion folders and sending envelopes, in an effort to actively exploit the "protective packaging" market.

Astro-Packaging's sales and earnings have grown sharply in recent years, with turnover amounting to Fl 60m ($17m), Buehrmann-Tetterode said. The New Jersey-based company, which has six factories across the U.S., claims a "very important share" of the specialised market for protective packaging.

Buehrmann-Tetterode's Pillo-Pak subsidiary also produces air-cushion folders and sending envelopes, which are marketed throughout western Europe. *The similarities of Pillo-Pak's* and Astro-Packaging's operations will facilitate co-operation and an "important" expansion of activities is planned, the Dutch company said.

Buehrmann-Tetterode paid cash for Astro-Packaging's outstanding shares and also intends to invest fresh capital in new factories and more research and development.

The Amsterdam-based company, which posted a Fl 20.9m profit on sales of Fl 2.78bn in 1983, said the acquisition was in line with plans to further expand internationally its core activities.

Brown Boveri sells household goods unit

By John Wicks in Zurich

THE SWISS-BASED Brown Boveri Group has disposed of its last subsidiary in the household-goods market by the sale of BBC-Rollar.

The purchase, no price for which is disclosed, has been carried out by the Swiss holding company of Blomberg, a household-appliance manufacturer with headquarters in Ahlen, Germany.

BBC-Rollar, which will continue to exist at its base in Schlieren near Zurich, is a small distributor of household equipment with Blomberg as its main supplier. The Rollar programme will continue to be sold under the BBC brand name.

Honda sees sales surge

BY OUR FINANCIAL STAFF

HONDA MOTOR is forecasting strong increases in sales both of cars and motorcycles during 1985, based on what the company believes will be steadily rising demand in Japan and abroad.

Mr Tadashi Kume, president, said the company expected car sales to reach 1.35m units, an increase of 8.9 per cent from 1984, and motorcycle sales to rise by 16.3 per cent from last year's depressed levels to 2.6m units.

The company gave no fresh financial forecasts at its New Year Press conference.

Alfa Romeo to cut Arna output

BY JAMES BUXTON IN ROME

ALFA ROMEO, the loss-making car producer which belongs to the state holding company IRI, is reducing production of the Arna saloon car, the fruit of a controversial joint venture with Nissan of Japan.

Instead of increasing output of *the Arna towards the* originally planned maximum of 60,000 cars a year, Alfa intends to produce only 25,000 cars this year, compared with the 29,000 produced in 1984.

The main reason for the cutback in output is the poor reception the Arna has received in its most important potential overseas market, the UK. Alfa Romeo had originally hoped that the UK market would take about half the Arna output.

Sales in Britain of the Nissan version of the Arna—called the Cherry Europe — were disappointing at only 5,000 in the first 18 months. And the importer, Nissan UK, last month decided to halt sales because Alfa Romeo's British subsidiary decided to launch the Arna at prices considerably lower than the Nissan model.

Sales, however, have been reasonably good in Italy where the Arna was introduced in late 1983. Last year some 21,548 cars were sold.

The Alfa-Nissan project, agreed in 1980, was the first major bridgehead for a Japanese car manufacturer in the tightly protected Italian car market.

The original deal was strongly contested by Fiat, the major Italian car maker, but in the end the Italian government set a limit on Arna production

Chemical New York

In yesterday's edition of the Financial Times the percentage increases in Chemical New York's fourth quarter and full year earnings were inadvertently transposed. Chemical's fourth quarter earnings increased by 19.7 per cent while full year net earnings increased by 11.5 per cent.

Tokyo Electric expands

BY OUR FINANCIAL STAFF

TOKYO ELECTRIC, the electrical and electronic appliances maker controlled by Toshiba, announced yesterday that it will complete arrangements by the end of this month to take over Semicon Industries, a privately-controlled Singapore manufacturer of telephone equipment. The purchase price is expected to be about Y2bn ($7.8m).

Semicon, which is owned and run by Mr Thomas Yang, manufactures telephone sets mainly for export to the U.S. market, according to Tokyo Electric executives. The Japanese company said it was considering whether to produce a range of other equipment at Semicon's plants, though no decisions had yet been taken.

The acquisition will be Tokyo Electric's first overseas production base as well as its first move into telephone equipment. The company specialises in electronic cash registers and weighing machines, as well as such peripheral computer equipment as printers and disk drives.

WORLD STOCK MARKETS

WALL STREET

Mixed with shifting demand

A MIXED trend developed on Wall Street yesterday when demand for "secondary" issues remained strong, while Blue Chips were lower as investors digested gains made on Thursday.

By 1 pm the Dow Jones Industrial Average came back 5.31 to 1,218.19, following Thursday's 20 point rise, reducing its advance on the week to 33.23. The NYSE All Common Index shed 34 cents on the day to $96.73, cutting its rise on the week to $2.19. Gains led losses by a seven-to-six majority, while the trading volume expanded 11.2m shares to 92.63m, compared with 1 pm Thursday.

In the recent past, large gains in the Stock Market have often been followed by selling pressure as investors take profits out of the market.

As it did on Thursday, ATT topped the active list, shedding $[illegible] to $20[illegible] on consolidated volume of 1.4m shares.

MCA advanced $1[illegible] to $41 in heavy trading—it is often mentioned as a potential takeover candidate.

Advanced Micro rose $[illegible] to $30[illegible] in active trading on reported higher fiscal third quarter profits. National Semiconductor were off $[illegible] to $12—it said it will halt production for two weeks.

Northwest Industries were down $[illegible] to $48[illegible]—sources said Thursday an investment group is still searching for founds for the company's buyout at a revised price.

IBM, which contributed heavily to the Dow's sharp rise Thursday dipped $1 to $122[illegible] in active trading.

Schlumberger also lost $1 to $3 and Hewlett-Packard were down $1[illegible] to $35[illegible], both in active trading.

Closing prices for North America were not available for this edition.

THE AMERICAN SE Market Value Index put on 0.38 to 205.46, making a rise of 3.25 on the week. Trading volume expanded 790.000 to 5.5m, compared with 1 pm Thursday.

CANADA

Stock prices remained higher at mid-session but the rally appeared to be losing steam after Thursday's sharp run up.

The Toronto Composite Index, which rose 22 points on Thursday, was up 5.3 at 2,386.5 and the Gold Share Index put on 41.8 to 2,863, but Metals and Minerals shed 8.0 to 1,960.7 and Oil and Gas eased 5.3 to 2,931.8.

Lake Ontario Cement moved up $1 to $9[illegible] on active volume of 301.590 shares after reporting on Thursday its 1984 earnings rose to $1.47 per shares from 57 cents a year ago.

TOKYO

After posting records closings for three consecutive days this week, stock prices finished mixed on profit-taking in heavy trading.

The Nikkei Dow Jones Index shed 12.14 to 11,812.24, although gains led losses 401-to-364. Even with yesterday's decline, the Nikkei Dow Index finished the week up 267.04 from its Saturday, 5, close of 11,545.20.

The broader based SE Index edged up 0.45 to 931.39. Trade 20m (16m) shares.

Blue-Chip Electricals, which have paced this week's gains, were broadly lower.

Foreign investors continued to buy, apparently lured by hopes of currency gains with the dollar near two-year highs against the yen, a dealer said.

In contrast to the broad-based gains earlier this week, Blue-Chip Electrics and Precision Instruments were mixed. But Machineries, including selected Machine Tools and Bearings, were comparatively strong. One broker pointed to exceptionally strong orders received last year by Machine-Tool makers, but others said those orders have peaked.

Film companies, Autos and non-Ferrous Metals fell, but selected Foods and Textiles rose. Financials were mixed.

Sanyo Electric rose Y3 to 468, it won a TV-plant order from China earlier this week. Hirose Electric fell Y20 to 3,360—it said first half net rose 38 per cent on a 28 per cent sales gain. Dainippon Pharmaceutical put on 90 to 5,140—it said first-half net fell 34.5 per cent as sales eased 0.1 per cent.

Kirin Brewery, up Y13 to 560, announced plans to develop synthetic grain and vegetable seeds jointly with the U.S. biotechnology firm Plant Genetics.

HONG KONG

Share prices continued to advance, helped by a strong Hong Kong dollar and favourable chart positions, brokers said.

The Hang Seng Index finished at a 30-month high, rising 34.14 to 1,352.69 for a rise of 90.69 from last Friday's close.

Brokers said both Fund Managers and "small" investors were heavy buyers.

"Orders were coming in faster than we could execute them," one floor trader said.

Brokers said the Index is likely to reach 1,400 next week and further increases are possible.

But a researcher with a U.S. brokerage said the rise could be checked by possible disappointing profit results, due at the end of February.

The rally was more centred on Blue-Chip issues than on locally "popular," lesser-known "second-tier" stocks. As a result, some of the Colony's minor stocks saw little turnover although the market indices all were sharply higher.

The Finance sub-Index gained 41.30 to 1,324.18, the Utilities sub-Index 21.46 to 1,543.83, the Properties sub-Index 40.61 to 1,475.51 and the Commerce and Industry sub-Index 31.35 to 1,179.55.

AUSTRALIA

Firmer across the Boards with investors encouraged by an overnight rally on Wall Street.

The All Ordinaries Index was up 7.2 at 730.2, the AN Industrials 8.0 to 1,093.3, Metals and Minerals 5.8 to 409.6 and All Resources 6.3 to 451.5.

Developers and Contractors were heavily supported.

Traders said the strong overnight move by Wall Street brought local Institutions back into Stock Markets in a big way for the first time this year. The Institutions, they said, are flush with cash and have been waiting for the right time to make a move.

Diversified Resource stocks were also firmer.

In the Oil and Gas sector, 5 cent gains took Moonie Oil to A$2.35 and Vamgas to A$3.10, but 5 cent declines saw Ampol Exploration slip to A$2.20 and Bridge and Hartogen each to A$2.25.

There was heavy trading in Hooker, which rose 16 cents to A$1.94. Sydney businessman Lee Ming Tee last month made a partial bid for Hooker, but said he wasn't involved in Friday's activity. Traders said it was possible another takeover bid would emerge Monday.

Banks and Finance companies were also mostly firmer.

Elsewhere on the Industrial Boards, Allied Mills attracted substantial interest, rising 25 cents to A$2.80. Rothmans gained 20 cents to A$4.

SINGAPORE

Share prices closed mixed after profit-taking and lack of follow through buying. Most of early advances were relinquished, as continuing worries about the financial and economic climate in Singapore outweighed initial firmer sentiment.

The Straits Times Industrial Index rose 0.19 to 776.47, while the SE Industrial/Commercial Index lost 0.81 to 556.01. Turnover 10.1m (10.3m) shares.

AMSTERDAM

Dutch share prices were mainly higher, but slipped back from opening levels as the market was unable to absorb increased selling orders.

Akzo were hardest hit by increased selling and lost Fl 1.8 to Fl 101. Philips gained Fl 0.30 to Fl 57 on news it more than reached its 1984 profit and turnover goals.

MILAN

Share prices closed firmer in active trading as the market continued to follow the upward trend of recent days.

Indices

NEW YORK

DOW JONES

	Jan. 10	Jan. 9	Jan. 8	Jan. 7	Jan. 4	1984-85 High	1984-85 Low	Since Compiltn High	Since Compiltn Low
♦Industri'ls	1223.50	1202.74	1191.70	1190.55	1184.96	1286.64 (8/1/84)	1086.57 (24/7)	1287.20 (29/11/85)	41.22 (2/7/32)
H'me Bnds	72.68	72.65	72.64	72.74	72.47	72.92 (18/12)	64.81 (25/5)	—	—
Transport.	569.97	564.44	556.69	557.02	553.03	612.63 (9/1/84)	444.03 (25/7)	612.63 (9/1/84)	12.32 (8/7/32)
Utilities	147.36	147.16	146.85	147.21	146.54	140.95 (18/12)	122.25 (15/6)	163.72 (20/4/69)	10.5 (28/4/42)
TradingVol 000's	124,880	99,230	92,110	86,190	77,480	—	—	—	—

♦Day's High 1225.93 (1209.47) low 1195.56 (1190.26)

	Jan. 4	Dec. 21	Dec. 14	year ago (approx
Industrial div. yield %	5.08	4.89	4.99	4.23

STANDARD AND POORS

	Jan. 10	Jan. 9	Jan. 8	Jan. 7	Jan. 4	1984-85 High	1984-85 Low	Since Comp'tn High	Since Comp'tn Low
Indust'ls	187.63	185.92	182.62	182.83	182.24	191.48 (6/11)	167.74 (24/7)	194.84 (10/10/83)	3.62 (30/6/32)
Comp's'te	168.31	165.18	163.99	164.24	163.68	170.41 (6/11)	147.82 (24/7)	172.15 (10/10/83)	4.40 (1/6/32)

	Jan. 2	Dec. 26	Dec. 19	year ago (approx)
Industrial div. yield	4.14	4.11	4.09	3.70
Industrial P/E ratio	10.32	10.42	10.43	13.64
Long Gov. Bond yield	11.65	11.38	11.25	11.74

N.Y.S.E. ALL COMMON

Jan. 10	Jan. 9	Jan. 8	Jan. 7	1984-85 High	1984-85 Low
97.13	95.44	94.81	94.89	98.12 (8/11)	85.13 (24/7)

Rises and Falls

	Jan. 10	Jan. 9	Jan. 8
Issues Traded	2,013	2,016	2,000
Rises	1,286	1,071	821
Falls	351	495	680
Unchanged	376	450	499
New Highs	94	44	55
New Lows	16	12	20

TORONTO	Jan. 10	Jan. 9	Jan. 8	Jan. 7	1984-85 High	1984-85 Low
Metals & Minerals	1963.8	1946.3	1922.5	1906.5	2524.4 (12/1/84)	1641.2 (25/7)
Composite	2381.2	2358.1	2348.6	2365.3	2585.7 (6/1/84)	2079.7 (24/7)
MONTREAL Portfolio	119.16	117.88	117.16	117.36	126.85 (10/1/84)	100.36 (24/6)

	Jan. 11	Jan. 10	Jan. 9	Jan. 8	1984-85 High	1984-85 Low
AUSTRALIA All ord. (1/1/80)	730.2	725.1	716.6	716.3	787.9 (8/1/84)	546.3 (18/6)
Metals & Mins. (1/1/80)	409.6	403.8	395.2	396.8	587.4 (5/1/84)	335.6 (7/1/85)
AUSTRIA Credit Aktien (2/1/62)	56.66	56.76	56.73	56.91	59.37 (28/12)	53.20 (15/8)
BELGIUM Brussels SE (1/1/80)	2163.60	2160.06	2153.45	2158.30	—	—
DENMARK Copehagen SE (3/1/83)	160.51	159.75	159.26	158.44	225.21 (20/1/84)	158.44 (5/1/85)
FRANCE CAC General (31/12/82)	190.0	189.0	187.7	188.1	190.0 (11/1/85)	155.6 (3/1/84)
Ind Tendance (28/12/84)	104.3	104.0	103.4	105.2	104.5 (11/1/85)	100.0 (28/12/84)
GERMANY FAZ Aktien (31/12/58)	392.27	394.39	392.73	391.66	394.39 (10/1/85)	317.17 (25/7)
Commerzbank (1/12/53)	1142.70	1146.1	1141.4	1137.8	1146.1 (10/1/85)	917.7 (25/7)
HONG KONG Hang Seng Bank (31/7/64)	1352.69	1318.55	1269.95	1265.01	1352.69 (11/1/85)	746.02 (13/7)
ITALY Banca Comm Ital. (1972)	245.21	241.96	238.21	252.84	245.21 (11/1/85)	192.06 (2/1/84)
JAPAN** Nikkei-Dow (16/5/49)	11812.24	11824.4	11783.6	11679.8	11824.4 (10/1/85)	9703.35 (23/7)
Tokyo SE New (4/1/68)	931.39	930.94	926.40	922.54	[illegible] (11/1/85)	[illegible] (4/1/84)
NETHERLANDS ANP-CBS General (1970)	188.80	188.6	186.9	188.2	188.8 (11/1/85)	146.8 (25/7)
ANP CBS Indust (1970)	151.7	150.8	149.6	149.8	151.7 (11/1/85)	118.7 (18/6)
NORWAY Oslo SE (4/1/83)	311.72	312.48	308.79	307.23	312.49 (10/1/85)	221.67 (4/1/84)
SINGAPORE Straits Times (1966)	776.47	776.28	770.45	792.68	1071.91 (9/2)	770.45 (9/1/85)
SOUTH AFRICA Gold (1958)	1000.7	966.5	959.7	954.8	1039.0 (19/11)	738.7 (24/1/84)
Industrial (1958)	987.2	913.1	924.8	915.3	1105.3 (26/3)	855.5 (19/9)
SPAIN Madrid SE (28/12/84)	107.8	106.4	104.94	105.00	107.0 (11/1/85)	100.00 28/12/84
SWEDEN Jacobson & P (1/1/58)	1441.46	1426.38	1417.51	1409.66	1594.5 (8/2)	1302.59 (22/11)
SWITZERLAND Swiss BankCpn. (31/12/58)	402.8	402.9	403.8	403.3	403.5 (9/1/85)	354.5 (25/7)
WORLD Capital Intl. (1/1/70)	—	188.8	186.4	186.8	190.6 (6/5)	133.2 (14/12)

** Saturday January 5: Japan Nikkei-Dow 11,545.2. TSE 919.22.

Base values of all indices are 100 except Australia All Ordinary and Metals—500, NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. (u) Unavailable.

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
AT & T	3,573,300	20¼	+ ⅛	Int. Harvester	1,280,000	9¼	+ ⅛
IBM	1,639,600	123⅞	+ 3⅞	Fd. Nat. Mort.	1,184,600	16⅛	+ ⅛
Nt. Semicdtr.	1,506,100	12⅝	+ ⅛	Amer Express	1,160,900	38⅞	+ 1⅛
Schlumberger	1,333,300	37	+ 1⅛	Lockheed	1,030,400	43⅛	+ 1⅛
Avon Products	1,295,700	20⅞	+ ⅛	Sony	1,028,600	15⅞	+ ⅛

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

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CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling weak

Sterling fell to its lowest closing level ever in currency markets yesterday. This was despite a rise in UK clearing bank base rates to 10½ per cent, which dealers described as too little, too late. This certainly seemed the case as the morning announcement failed to stop sterling slipping to an all-time low on its index at noon of 71.1. It recovered a little to close at 71.3. This was still a record closing low.

Against the dollar it finished at $1.1240-1.1250, a fall of 90 points from Thursday, and its worst closing level ever. It touched an all time trading low of $1.1220. Against the D-mark it sank to its worst level since March 1983, closing at DM 3.5475.

The U.S. dollar finished up from Thursday's levels and around the middle of the day's range. There was little incentive to try and push the dollar outside its recent trading range of DM 3.13-3.18 against the D-mark ahead of the weekend. Thursday's money supply figures had provided a temporary boost but any bullishness was countered by comments made by Fed chairman Mr Paul Volcker, which suggested that the Fed had further room to reduce U.S. interest rates. The dollar closed at DM 3.1530 from DM 3.1430 and SwFr 2.6430 compared with SwFr 2.6350.

£ in New York

	January 11	Prev. close
£ Spot	$1.1255-1.1245	$1.1280-1.1290
1 month	0.18-0.16 pm	0.17-0.16 pm
3 months	0.48-0.44 pm	0.50-0.46 pm
12 months	0.95-0.88 pm	0.95-0.85 pm

Forward premiums and discounts apply to the U.S. dollar.

STERLING EXCHANGE RATE INDEX (Bank of England)

	Jan 12	Previous
8.30 am	71.3	72.2
9.00 am	71.3	72.2
10.00 am	71.4	72.2
11.00 am	71.1	72.1
Noon	71.1	72.0
1.00 pm	71.2	71.7
2.00 pm	71.2	71.8
3.00 pm	71.2	71.7
4.00 pm	71.3	71.6

POUND SPOT—FORWARD AGAINST POUND

Jan 11	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.1220-1.1325	1.1240-1.1250	0.24-0.21c pm	2.40	0.66-0.61 pm	2.26
Canada	1.4850-1.4940	1.4915-1.4935	0.13-0.05c pm	0.72	0.43-0.32 pm	1.00
Nethlnd.	3.98½-4.02¾	4.00-4.01	1¾-1½c pm	4.68	4¾-4¼ pm	4.49
Belgium	70.95-71.45	70.95-71.05	par-5c dis	−0.42	1 pm-9 dis	−0.22
Denmark	12.67-12.76½	12.67-12.68	1⅞-2⅞ore dis	−2.25	5¾-6⅞ dis	−1.91
Ireland	1.1380-1.1440	1.1415-1.1425	0.33-0.43p dis	−3.99	0.83-1.14ds	−3.45
W. Ger.	3.53½-3.56¾	3.54½-3.55¼	1¾-1½pf pm	4.33	3⅞-3⅝ pm	4.23
Portugal	191.25-194.75	192.65-194.65	245-570c dis	−25.25	895-1665ds	−24.37
Spain	196.20-197.50	196.65-197.15	40-60c dis	−3.05	115-140 dis	−2.59
Italy	2,178¾-2,195½	2,183½-2,184½	7-10lire dis	−4.67	20-24 dis	−4.03
Norway	10.27¾-10.34½	10.28-10.29	2¼-2⅞ore dis	−2.99	6½-7¼ dis	−2.67
France	10.83¾-10.92½	10.84-10.86	par-⅝c dis	−0.35	¼-1¼ dis	−0.22
Sweden	10.17¾-10.23¾	10.17¾-10.18¾	⅝-1⅞ore dis	−1.10	2½-3 dis	−1.06
Japan	285-286½	285-286	1.15-1.05y pm	4.62	3.12-2.99 pm	4.28
Austria	24.90-25.10	24.97-24.98	6¾-5¾gro pm	2.98	19⅞-16¾ pm	2.88
Switz.	2.96½-2.99	2.96½-2.97½	1⅝-1½c pm	5.81	4¾-4 pm	6.64

Belgian rate is for convertible francs. Financial franc 71.10-71.20. Six-month forward dollar 1.03-0.98c pm. 12-month 1.35-1.25c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Jan 11	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.1220-1.1325	1.1240-1.1250	0.24-0.21c pm	2.40	0.66-0.61 pm	2.26
Ireland†	0.9875-0.9930	0.9880-0.9890	0.55-0.50c pm	6.36	1.50-1.30 pm	5.65
Canada	1.3200-1.3213	1.3208-1.3213	0.17-0.20c dis	−1.68	0.40-0.43ds	−1.26
Nethlnd.	3.5375-3.5710	3.5540-3.5550	0.70-0.67c pm	2.37	2.17-2.14 pm	2.43
Belgium	62.92-63.30	63.00-63.10	9-10c dis	−1.80	21-23 dis	−1.39
Denmark	11.23¼-11.34	11.25½-11.26	0.31-0.36ore dis	−0.36	0.87-0.83dis	0.32
W. Ger.	3.1340-3.1620	3.1525-3.1535	0.71-0.66pf pm	2.82	2.13-2.08 pm	2.68
Portugal	170¾-172¼	171¼-172¼	250-500c dis	−26.20	700-1450ds	−26.04
Spain	173.90-174.87	174.30-174.45	68-78c dis	−5.03	185-200 dis	−4.42
Italy	1,933½-1,945	1,939-1,940	10½-11lire dis	−6.66	28¾-29 dis	−5.93
Norway	9.10-9.16½	9.12¼-9.12¾	3.45-3.95oer dis	−4.87	10-10½ dis	−4.50
France	9.63-9.68¼	9.66½-9.67	1.90-2.00c dis	−2.43	5.20-5.50ds	−2.22
Sweden	9.03-9.07¼	9.03¼-9.03¾	2-2½ore dis	−2.99	6.35-6.85ds	−2.92
Japan	253.30-253.90	253.70-253.80	0.47-0.43y pm	2.13	1.35-1.30 pm	2.09
Austria	22.02¼-22.16¾	22.13-22.15	2¼-1½gro pm	1.02	7-5 pm	1.09
Switz.	2.6310-2.6500	2.6425-2.6435	0.79-0.73c pm	3.44	2.43-2.37 pm	3.62

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 63.20-63.30.

OTHER CURRENCIES

Jan. 11	£	$		£ Note Rates
Argentina Peso	216.39-216.76	191.65-191.70	Austria	24.90-25.30
Australia Dollar	1.3725-1.3745	1.2160-1.2165	Belgium	71.30-72.00
Brazil Cruzeiro	3,646.67-3,668.00	3,228-3,244	Denmark	12.65-12.75
Finland Markka	7.4450-7.4740	6.6020-6.6040	France	10.86-10.96
Greek Drachma	145.98-146.88	127.66-130.24	Germany	3.54½-3.57½
HongKong Dollar	8.7955-8.8105	7.7975-7.8005	Italy	2180-2220
Iran Rial	107.50*	94.00*	Japan	285-290
KuwaitDinar(KD)	0.34420-0.34480	0.30605-0.30625	Netherlands	4.00¼-4.04¼
Luxembourg Fr.	70.95-71.05	63.00-63.10	Norway	10.27-10.73
Malaysia Dollar	2.7957-2.8010	2.4785-2.4800	Portugal	192-211
New Zealand Dlr.	2.3885-2.3935	2.1155-2.1185	Spain	193¾-203½
Saudi Arab Riyal	4.0420-4.0470	3.5820-3.5850	Sweden	10.16-10.26
Singapore Dollar	2.4760-2.4810	2.1950-2.1965	Switzerland	2.97½-3.00½
Sth African Rand	2.4470-2.4595	2.1690-2.1785	United States	1.11½-1.13½
U.A.E. Dirham	4.1310-4.1360	3.6720-3.6740	Yugoslavia	278-295

* Selling rate.

EXCHANGE CROSS RATES

Jan. 11	Pound St'rling	U.S. Dollar	Deutsche m'k	J'panese Yen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Frank
Pound Sterling	1.	1.125	3.548	285.5	10.85	2.970	4.005	2184.	1.493	71.00
U.S. Dollar	0.889	1.	3.153	253.8	9.668	2.643	3.555	1940.	1.327	63.05
Deutschemark	0.282	0.317	1.	80.48	3.057	0.837	1.129	615.6	0.421	20.01
Japanese Yen 1,000	3.505	3.939	12.45	1000.	37.99	10.40	14.03	7650.	5.228	248.7
French Franc 10	0.922	1.037	3.271	263.3	10.	2.739	3.693	2014.	1.376	65.47
Swiss Franc	0.337	0.379	1.194	96.13	3.652	1.	1.348	735.4	0.503	23.91
Dutch Guilder	0.250	0.281	0.886	71.29	2.708	0.742	1.	545.3	0.373	17.73
Italian Lira 1,000	0.458	0.515	1.624	130.7	4.996	1.360	1.834	1000.	0.683	32.51
Canadian Dollar	0.670	0.753	2.377	191.3	7.265	1.990	2.683	1463	1.	47.57
Belgian Franc 100	1.408	1.584	4.996	402.1	15.27	4.183	5.641	3076.	2.102	100.

MONEY MARKETS

Rates higher

Interest rates rose in London yesterday following an increase in clearing bank base rates to 10½ per cent from 9½-9¾ per cent. Early trading saw a sharp increase in interbank rates on sterling's renewed weakness and a rise in base rate became almost inevitable as banks' profit margins were extinguished. The rise was later endorsed by the Bank of England through a one point increase in intervention rates.

Three-month interbank money was quoted in a range of 10¼-10⅜ per cent from 9⅞-10⅛ per cent, opening on Monday at 10⅛-10⅜ per cent. Three-month eligible bank bills were bid at 10¼ per cent up from 9⅞-9⅞ per cent. Weekend interbank money traded between 11½ per cent and 8 per cent.

UK clearing banks' base lending rate 10½ per cent January 11.

The Bank of England forecast a shortage of around £400m with factors affecting the market including maturing assistance and a take-up of Treasury bills together draining £55m and Exchequer transactions a further £105m. There was also a rise in the note circulation of £175m and banks brought forward balances £35m below target.

The forecast was revised to a shortage of around £350m and the Bank gave assistance in the morning of £113m, comprising purchases of £30m of eligible bank bills in band 2 (15-33 days) at 10½ per cent and £38m in band 3 (34-63 days) at 10½ per cent. In band 4 (64-91 days) it bought £45m of eligible bank bills at 10½ per cent.

The forecast was later revised to a shortage of around £400m, before taking into account the earlier help and the Bank provided additional assistance in the afternoon of £173m, comprising purchases of £2m of local authority bills and £2m of eligible bank bills in band 2 all at 10½ per cent, £7m in band 3 at 10½ per cent and £10m in band 4 at 10½ per cent. It also arranged sale and repurchase agreements on £80m of bills at 10½ per cent, for resale on January 15. Late assistance came to £20m, making a total of £306m.

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Jan. 11 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible bank (Sell)	Fine Trade (Buy)
Overnight	—	8-11½	9-10	9½-10½	8½-10	—	—	—	—	—
2 days notice	—	—	9¾-10¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	9-10⅝	9¾-9½	9¾-9⅞	9⅛	—	—	—	—	—
One month	10⅜-10½	9⅞-10⅜	10¼-10⅝	10-10⅛	10	10⅝	10¼	10⅝	10	11
Two months	10-10	10-10⅜	10⅜	10⅞-11	9⅞	10	10	10	10	10
Three months	10-10	10⅛-10⅜	10⅛	10⅞-11	9⅞	10	9⅞	10	10	10
Six months	10-10	10½-10⅝	10¼	—	—	—	—	10	10	10
Nine months	10-10	10-10	—	—	—	—	—	—	—	—
One year	10-10	10⅜-10⅞	10⅝	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	11⅛-10¾	—	10⅞	8.1-8.2	7⅝-7⅞	9½-9½
Two months	11¼-10¾	—	10⅞	8.2-8.3	7¾-8	9½-9½
Three months	11⅛-10¾	—	10⅞	8.35-8.55	7⅞-8⅛	9⅜-9⅜
Six months	11-10⅞	—	10⅞	8.65-8.75	8⅛-8⅜	9⅜-9⅞
Nine months	11-10⅝	—	10⅞	9.0-9.2	—	—
One year	11-10⅝	—	10⅞	9.4-9.6	8⅝-8⅞	9⅝-9⅞
Two years	—	11⅛	—	—	—	—
Three years	—	11½	—	—	—	—
Four years	—	11½	—	—	—	—
Five years	—	11½	—	—	—	—

ECGD Fixed Rate Export Finance IV: Average Rate of interest period December 5 1984 to January 1 1985 (inclusive): 9.913 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 10 per cent from January 1 1985. London and Scottish Clearing Bank Rates for lending 10½ per cent. London Deposit Rates for sums at seven days' notice 7½ per cent. Treasury Bills: Average tender rates of discount 10.1017 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 9¾ per cent; one-three months 10 per cent; three-six months 10¼ per cent; six-nine months 10½ per cent; nine-12 months 10½ per cent. Under £100,000 9½ per cent from January. Deposits held under Series 8 10 per cent. The rate for all deposits withdrawn for cash 7 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. January 11)

3 months U.S. dollars: bid 8 5/16 — offer 8 7/16

6 months U.S. dollars: bid 8 13/16 — offer 8 15/16

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Jan. 11	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	10¼-10½	8⅛-8⅜	9⅞-10⅛	5⅝-5⅞	2-2½	5⅛-5⅜	10⅛-10⅜	13½-14½	10¼-10½	10⅛-10⅜	6¼-6⅝	12¾-13
7 days' notice	10⅜-10⅝	8⅛-8⅜	9⅞-10⅛	6⅛-6⅜	2½-2¾	5½-5⅝	10-10¼	14⅛-14⅝	10¼-10½	10⅛-10⅜	6½-6⅝	12¼-12½
Month	10⅝-10¾	8⅛-8¼	9-9¼	5⅝-5⅞	4-4	5-5	10-10⅜	14½-15	10⅜-10⅝	10⅛-10⅜	[illegible]	12¼-12½
Three months	10⅝-10¾	8⅛-8⅜	9-9⅜	5⅞-5⅞	4-4	5⅞-5	10⅛-10⅜	14½-14½	10½-10¾	10⅝-10	[illegible]	11¼-12⅛
Six months	10⅝-10⅞	8⅝-8⅞	9⅜-9⅞	5⅞-6	4¼-4⅜	5⅛-5	10⅝-10⅞	14½-14⅝	10½-10⅝	10⅝-10	[illegible]	11⅝-12
One year	10⅞-11	9⅝-9⅞	10⅛-10⅜	6-6⅛	4-5⅛	6⅛-5⅛	11⅛-11⅜	14⅛-14⅝	10½-11	10½-10	6⅛-6⅝	11-12⅛

Asian $ (closing rates in Singapore): Short-term 8⅛-8⅜ per cent; seven days 8⅛-8⅜ per cent; one month 8⅛-8⅜ per cent; three months 8⅝-8⅞ per cent; six months 8 11/16-8 13/16 per cent; one year 9⅝-9⅞ per cent. Long-term Eurodollar two years 10⅝-10⅞ per cent; three years 11-11½ per cent; four years 11¼-11½ per cent; five years 11⅛-11⅝ per cent nominal rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1984/5 High	1984/5 Low
METALS					
Aluminium	£1100	—	£1100	£1100	£1100
Free Markets c.i.f.	$1100/1140	+10	$1580/1610	$1600/1650	$1025/1075
Antimony					
Free Market 99.6%	$2950/3050	—112.5	$2450/2630	$3875/3925	$2450/62
Copper Cash High Grade	£1173.5	+31	£973.25	£1173.5	£945
3 months Do. Do.	£1183.75	+36	£998.25	£1183.75	£969.75
Cash, Cathodes	£1171	+36.5	£981.5	£1171	£940.5
3 months Do.	£1186	+37	£984.5	£1186	£957
Gold per oz	$304	+2.5	$371.525	$405.75	$295.5
Lead Cash	£362.5	—17	£283.25	£399.5	£269.5
3 months	£327.75	—1	£292.75	£387.87	£279.25
Nickel	£5816	—	£4945	£5967	£4836
Free Markets c.i.f. lb	217/247c	—1	208/228c	227/257c	203/22c
Palladium per oz	$117.50	—1.00	$158.00	$162.25	$113.25
Platinum per oz	$276.50	+0.75	£267.55	$411.25	$270.00
Quicksilver (76 lbs)	$295/305	—5	$305/310	$318.15	$290/300
Silver per oz	540.00p	+12.10	577.25p	679.70p	509.85p
3 months per oz	553.65p	+13.25	589.75p	694.40p	522.20p
Tin cash	£9817.5	—5	£8637.5	£9980	£8370
3 months	£9802.5	+7.5	£8790.5	£9950	£8517.5
Tungsten Ind	$81.75	—	$73.43	$89.55	$73.44
Wolfram (22.04 lb.)	$64/68	—2	$72/76	$86/90	$71/75
Zinc cash	£711.5	+6	£678.5	£797.5	£592.5
3 months	£702.5	+5	£679.5	£718.25	£594.5
Producers	$900	—	$980	$1050/1080	$900
GRAINS					
Barley Futures	£114.15y	+0.30	£123.50	£123.55	£105.65
Maize French	£146.5w	—	£148.00	£164.50	£145.00
WHEAT Futures					
Hard Winter Wheat	£113.65y	+0.3	£121.00	£130.50	£106.55
	‡	—	‡	‡	‡
SPICES					
Cloves	£4,200	—	£6,400	£5,500	£4,000
Pepper white	$3,325	—	$3,250	$3,500	$2,900
black	$2,150	—	$2,200	$2,350	$1,800
OILS					
Coconut (Philippines)	$905x	—	$1,085	$1,575	$885
Groundnuts 5%	‡	—	$1,000	$1,180	$815
Linseed Crude	‡	—		$575	£397
Palm Malayan	$590v	—	$890	$1,000	$550
SEEDS					
Copra (Philippines)	$560x	—10	$720	$865	$540
Soyabeans (U.S.)	$249.5	+7.5	$319.75	$358.2	$236.75
OTHER COMMODITIES					
Cocoa Shipments§	£2,077	+140	£1896	£2,173	£1,672.5
Cocoa Futures May	£2,015	+130.5	£1824	£2103.5	£1638
Coffee Futures Mar.	£2,333	+56.5	£2035.5	£2,512	£1,899.5
Cotton Index	71.85c	+0.10	87.55c	90.10c	71.50c
Des. Coconut	£1,250	—	£995	£1,345	£995
Gas Oil Fut. Feb.	$287.75	+10.75	$248.75	$257.75	$214.25
Jute LJA BWC grade	$370	—	$485	$872	$488
Rubber kilo	63p	—	85.5p	91p	58p
Sago Pearl	‡	—	£298	£345	£285
Sisal No. 3L	$570	—	$630	$670	$630
Sugar (Raw)	$106x	+10	£132.5	$194	$92
Tapioca No. 1	‡	—	£320	£330	£295
Tea (quality) kilo	340p	+20	375p	375p	257p
(low med) kilo	255p	+5	250p	280p	196p
Wooltops 64s Super	498p kilo	+2	442p kilo	494p kilo	483p kilo

‡ Unquoted. (g) Madagascar. § Ghana cocoa. (x) Jan.-Feb. (w) Dec.-Jan. (y) March. (v) Feb.

OIL

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arab Light	28.25-28.45	—0.025
Arab Heavy	26.60-26.80	—
Dubai	27.50-27.45*	—
Brent Blend	27.10-27.30	+0.10
W.T.I. (1pm est)	25.75-25.80*	—0.025
Forcados (Nigeria)	27.25-27.40	—
Urals (cif NWE)	27.25-27.50*	—
PRODUCTS—North West Europe		
"cif" ($ per tonne)		
Premium gasoline	251-253	—
Gas Oil	239-250	—1.0
Heavy fuel oil	183-185	+0.5

*February.

Petroleum Argus Estimates

Cold weather firmed Brent again during the morning but market strength was tempered by Nymex opening near to its previous closing level. By 1 pm EST Nymex was 4c up. In the petroleum products market gas oil firmed early on but fell to close down on the day. Heavy fuel prices firmed slightly as German, French and UK demand combined with relatively low prompt supply—Petroleum Argus, London.

GAS OIL FUTURES

SPOT PRICES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Jan	231.75	+0.25	232.75-31.00
Feb	227.75	—0.25	229.25-27.50
March	222.00	—0.50	223.50-21.75
April	217.25	—0.75	218.50-17.00
May	216.25	—1.00	216.25
June	215.75	+0.75	216.75
July	218.00	+1.00	—

Turnover: 1,835 (3,198) lots of 100 tonnes.

GOLD

Gold fell $½ an ounce from Thursday's close in the London bullion market yesterday to finish at $303¾-304¼. The metal opened at $303-303½ and traded between a high of $305¾-306 and a low of $302¾-303¼, touched soon after the opening.

GOLD BULLION (fine ounce) Jan. 10

Close	$303¾-304¼	(£268¾-269¼)
Opening	$303-303⅛	(£268¾-269⅛)
M'ni'g fix.	$304.00	(£269.336)
Aft'n'n fix.	$304.25	(£269.010)

GOLD AND PLATINUM COINS

Kr'g'r'nd.	$313½-314¼	(£277¼-278)
½ Krug.	$161½-162¼	(£142¾-143½)
¼ Krug.	$82½-83	(£72¾-73½)
1/10 Krug.	$33½-34¼	(£29¾-30¼)
Mapleleaf	$313-314¼	(£277¼-278)
New Sov.	$71¾-72¼	(£63½-64)
½New Sov.	$43½-44¼	(£38½-39¼)
Old Sov.	$72-73½	(£63¾-65¼)
$20 Eagle	$480-510	(£424½-451¼)
Noble Plat	$284¼-287½	(£251¾-254¼)

LONDON FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ per troy ounce		
Jan.	—		—
Feb.	304.60-05.00	+0.10	305.80-04.60
April	308.80	—	308.50

Turnover: 25 (289) lots of 100 troy ounces.

REVIEW OF THE WEEK

Pound's decline lifts London markets

BY OUR COMMODITIES STAFF

STERLING'S WEAKNESS remained the overriding influence in most of London's base metal and soft (non-metal) commodities markets this week.

On the London Metal Exchange copper prices moved to new five-year highs helped by the firmness of the New York market and reports of Chinese buying interest. Cash high grade metal ended £31 up on the week at £1,173.50 a tonne.

Aluminium also performed strongly with the cash price ending £23 up at £938.50 a tonne.

Fresh speculative buying and widespread covering against earlier short sales was triggered by the decline in the value of the pound and this was enough to outweigh the "bearish" influence of a bigger-than-expected 41,000 tonnes increase in non-communist world stocks in November announced by the International Primary Aluminium Institute.

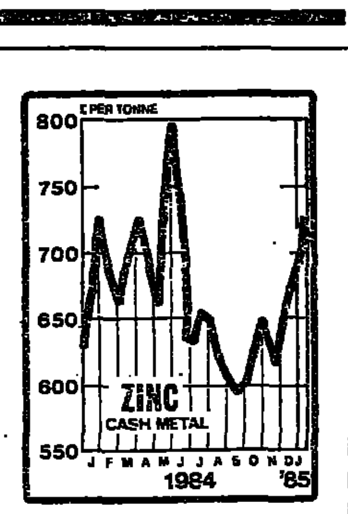
The LME cash nickel price moved up £87.50 to a record £4,292.50 a tonne and cash zinc gained £6 to £711.50 a tonne, but an easing of concern about the availability of nearby supplies allowed cash lead's premium over the three months position to narrow and the price ended £17 down on the week at £362.50 a tonne.

The strongest performer among the soft commodities was cocoa, with the May futures position gaining £130.50 on the week to £2,016 a tonne. The market was lifted by a stronger tone in New York and better manufacturer demand as well as the inevitable currency factor.

Dealers thought the stronger manufacturer demand reflected efforts to rebuild stocks which had been allowed to run down in the pre-Christmas period.

The May price moved up £45.50 yesterday in spite of the announcement of a surprise 5.8 for the final quarter of 1984 per cent fall in U.S. grindings compared with the corresponding 1983 period. A later announcement of a 13.4 per cent rise in UK fourth quarter grindings helped to firm the market near the close.

Factors influencing a £56.50 rise in March delivery coffee futures to £2,333 a tonne were similar to those affecting cocoa. Apart from sterling's decline the price was boosted by speculative buying against a background of improved roaster demand and constructive chart patterns, dealers said.



Another strong market was sugar, although, as it is traded in dollars, this week's change in the dollar/sterling parity might have been expected to depress the price. The London daily raw sugar price ended the week $10 higher at $106 a tonne.

BASE METALS

Amalgamated Metal Trading reported that in the morning cash higher grade traded at £1177, 76.5, 77, three months £1188.5, 88, 87, 86, 86.5. Cathodes: Cash £1175. Kerb: Higher Grade: Three months £1186.5. Afternoon: Higher Grade: Three months £1185, 84.5, 84, 83.5, 83, 82.5, 82, 83, 83.5. Kerb: Higher Grade: Three months £1182, 81, 80, 79, 80, 80.5, 81, 80. Turnover: 19,250 tonnes. U.S. Producers: 63-66 cents per pound.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1176-6.75	+8.75	1173-4	+1
3 months	1186-.5	+8	1183.5-4	+1.5
Settlem't	1177.5	+9	—	—
Cathodes				
Cash	1174-5	+8	1170-2	+4
3 months	1189-90	+9	1185-7	+2.5
Settlem't	1175	+8	—	—

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	9830-5	+25	9815-20	+2.5
3 months	9825-7	+26	9810-20	+5
Settlem't	9835	+25	—	—
Standard				
Cash	9830	+25	9815-20	+2.5
3 months	9800	+26	9800-5	+15.5
Settlem't	9835	+25	—	—
Straits E.	$29.15	—	—	—

Tin—Morning: Standard: Cash £9835, three months £9815, 10, 05. High Grade: Three months £9825. Kerb: Standard: Three months £9805, 9800. Afternoon: Standard: Cash £9820, three months £9800, 10, 05. Kerb: Standard: Three months £9820. Turnover: 910 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	360-3	—7.5	360-5	—10
3 months	327-8	+5.25	327.5-8	—7.5
Settlem't	363	—7	—	—

Lead—Morning: Cash £375, 73, 75, 71, 70, 68, 67, 65, 63, 60, three months £328. Kerb: Three months £328, 27.5. Afternoon: Cash £360, 58, three months £327.5. Kerb: Three months £327, 26. Turnover: 14,500 tonnes. U.S. Spot: 18-26 cents per pound.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	714-5	+4	711-1	+4
3 months	703-5	+3.5	702-3	—3.25
Settlem't	715	+4	—	—

Zinc—High Grade Official/Unofficial prices: Cash am £755-£760, pm £755-£760. Three months am £746-£750, pm £745-£750. Settlement £760. Morning: Three months £706.5, 06, 05, 04.5. Kerb: Three months £703.5, 03, 04, 03. Afternoon: Three months £704, 05, 04, 03, 02.5, 02. Kerb: Three months £702.5, 03, 04, 05, 07, 08, 09, 10, 09, 07. Turnover: 17,625 tonnes. U.S. Prime Western: 45.00-45.75 cents per pound.

ALUMINIUM

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	943-4	+29.7	938-9	+15.7
3 months	965-.5	+29	961-2	+16.7

Aluminium—Morning: Cash £943, three months £972, 71.5, 71, 70, 69, 67, 65, 64, 65, 64.5, 65, 66, 65.5, 65. Kerb: Three months £965, 64. Afternoon: Three months £963, 62.5, 63, 58, 59, 61, 62, 63, 62. Kerb: Three months £962, 63, 64, 65, 66, 65, 65.5. Turnover: 20,325 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	4280-90	+42.5	4290-5	+27.5
3 months	4324-5	+56	4330-5	+50

Nickel—Morning: Cash £4295, three months £4330, 25, 22, 20, 24. Kerb: Three months £4325. Afternoon: Cash £4290, 95, three months 4330. Turnover: 948 tonnes.

SILVER

Silver was fixed 5.55p an ounce higher for spot delivery in the London bullion market yesterday at 540.0p. U.S. cent equivalents of the fixing levels were: spot 611c, up 2c; three-month 623c, up 2.2c; six-month 636.5c, up 1.8c; and 12-month 663c, up 1.5c. The metal opened at 538½-541½p (608-611c) and closed at 541-544p (612-615c).

SILVER per troy	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	540.00p	+5.5	543p	+4.5
3 months	553.65p	+5.80	556.75p	+5.5
6 months	568.00p	+7.50	—	—
12months	597.65p	+8.45	—	—

LME—(2,000 oz contract): cash 543p (538.5p); three months 556.75p (551.25p). Turnover: 0 (0).

Turnover: 53 (45) lots of 10,000 oz. Morning: large 2nd ring three months 555.0. Kerb: large cash 541, three months 554.5, 55. Afternoon: large 1st ring three months 553, 52.5, 2nd ring three months 556. Kerb: three months large 554.

COCOA

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	2012-2013	+48.0	2020-1964
May	2015-2017	+45.5	2019-1964
July	2021-2025	+50.5	2025-1970
Sept	2035-2036	+60.5	2037-1975
Dec	1979-1980	+65.5	1984-1918
Mar	1969-1980	+67.0	1920-1915
May	1910-1979	+34.5	—

Sales: 9,624 (4,283) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily price for January 11: 99.71 (98.01); five-day average for January 14: 97.68 (97.05).

COFFEE

COFFEE	Yesterd'ys Close	+ or —	Business Done
January	2295-00	+14.5	2317-83
March	2331-35	+8.5	2340-25
May	2331-37	+9.0	2341-28
July	2342-45	+14.5	2350-35
Sept	2345-50	+16.5	2352-40
Nov.	2350-53	+24.5	2352-40
Jan	2340-55	+22.5	2345-40

Sales: 5,208 (3,360) lots of 5 tonnes. ICO indicator prices (U.S. cents per pound) for January 10: Comp daily 1979 134.12 (134.05); 15-day average 133.62 (133.62).

GRAINS

LONDON GRAINS—Wheat: U.S. dark northern spring No 1 14 per cent Feb 174.75, March 177.15, April/May 165.50 transhipment east coast. U.S. No 2 soft red winter Jan/Feb 161.75, April 160.25. English feed fob Jan 113.75 paid Boston, Feb 114.50, Jan/March 114.75, April 117 sellers east coast. Maize: U.S. No 3 yellow/French Jan 148.50 quoted transhipment east coast. Barley: English feed fob Jan 116, Feb 116.50, March 117.50, April/June 112.50 seller east coast. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 111.30, E. Mids 110.40, N. East 111.60, Scotland 108.60. The UK monetary coefficient for the week beginning Monday January 21 (based on HGCA calculations using 3 days' exchange rates) is expected to change to 1.035.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterd's close	+ or —
Jan	111.05	+0.05	111.80	—0.60
Mar	113.65	—	114.15	—0.15
May	117.35	—0.10	116.90	—0.10
July	119.40	—0.20	—	—
Sept	98.20	+0.15	98.05	—0.10
Nov	101.25	—0.20	101.35	+0.10

Business done—Wheat: Jan 111.10-1.05, March 113.90-3.65, May 117.40-7.35, July untraded, Sept 98.20-8.10, Nov 101.20-1.10. Sales: 210 lots of 100 tonnes. Barley: Jan 111.50-1.20, March 114.25-4.15, May 116.90-6.75, Sept 97.95 only, Nov untraded. Sales: 62 lots of 100 tonnes.

SUGAR

LONDON DAILY PRICES—Raw sugar $106.00 (£94.00), up $2.00 (up £3.00) a tonne for January-February delivery. White sugar $141.50, up $1.50.

No.6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
Mar	130.0-130.2	124.0-124.4	130.8-123.8
May	133.8-139.2	132.8-133.4	139.8-133.2
Aug	150.0-150.2	143.8-144.2	150.4-144.4
Oct	157.6-158.0	151.0-151.2	158.0-151.0
Dec	164.2-164.6	157.6-156.0	—
Mar	180.0-180.2	172.8-113.4	179.0-173.2
May	186.0-187.0	179.0-179.6	186.6-180.2

Sales: 3,397 (3,070) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £202.50 (£199.50) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for January 10: Daily price 3.51 (3.33); 15-day average 3.28 (3.28).

INDICES

FINANCIAL TIMES

Jan. 10	Jan. 9	M'th ago	Year ago
295.92	295.01	286.67	296.05

(Base: July 1 1952 = 100)

REUTERS

Jan. 11	Jan. 10	M'th ago	Year ago
1953.6	1956.5	1893.9	1972.8

(Base: September 18 1931 = 100)

MOODY'S

Dec. 27	Dec. 19	M'th ago	Year ago
966.9	966.4	—	1404.2

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Dec. 27	Dec. 19	Month ago	Year ago
Spot	121.99	122.83	—	140.43
Fut	124.53	123.68	—	145.53

(Base: December 31 1974 = 100)

RUBBER

PHYSICALS—The London market opened unchanged, attracted little interest due to currency movements and closed uncertain, reports Lewis and Peat. Closing prices (buyers): Spot 63.00p (same); Feb 73.00p (same); March 73.50p (same). The Kuala Lumpur Jan fob price for RSS No 1 188.0 (189.75) and for SMR 20 was 180.5 (181.5).

POTATOES

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
Feb	49.00	47.80	49.50
April	63.40	61.10	64.00-60.00
May	66.00	65.40	66.50-63.50
Nov	71.00	70.80	—
Feb	82.00	81.60	—

Sales: 868 (517) lots of 40 tonnes.

SOYABEAN MEAL

	Yesterday close	+ or —	Business Done
	£ per tonne		
Feb	150.1-150.4	+1.00	150.0
April	150.6-150.7	+2.35	150.6-149.5
June	149.7-150.0	+1.85	149.7-149.5
August	150.8-150.5	+1.65	151.0-150.5
October	149.0-150.8	—0.05	—
Dec	150.0-152.0	—0.55	—
Feb	151.0-155.0	+1.00	—

Sales: 410 (1,325) lots of 20 tonnes.

AMERICAN MARKETS

NEW YORK

ALUMINIUM 40,000 lb. cents/lb

	Close	High	Low	Prev
Jan	47.25	—	—	46.90
Feb	47.75	—	—	47.15
March	47.90	48.20	47.80	47.55
May	48.70	49.05	48.60	48.30
July	49.55	49.60	49.55	49.05
Sept	50.45	—	—	49.85
Dec	51.70	51.70	51.70	51.15
Jan	51.90	—	—	51.45
March	52.70	—	—	52.25
May	53.50	—	—	53.05

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
March	2150	2161	2102	2091
May	2175	2180	2125	2114
July	2160	2168	2120	2113
Sept	2173	2173	2125	2116
Dec	2100	2100	2055	2049
March	2100	2065	2095	2057
May	2195	—	—	2047

COFFEE "C" 37,000 lbs. cents/lb

	Close	High	Low	Prev
March	142.63	43.40	41.80	42.84
May	140.30	40.65	39.75	40.25
July	138.87	39.20	38.25	39.15
Sept	137.60	37.75	37.01	37.52
Dec	136.40	35.40	35.00	36.13
March	135.03	35.00	35.00	34.15
May	134.01	34.25	33.50	33.13

COPPER 25,000 lb. cents/lb

	Close	High	Low	Prev
Jan	56.80	57.60	57.60	57.65
Feb	57.00	—	—	57.90
March	57.40	58.35	57.20	58.30
May	58.00	58.90	57.90	58.85
July	58.60	59.45	58.45	59.45
Sept	59.15	60.05	59.10	60.05
Dec	60.05	60.95	60.10	60.95
Jan	60.35	—	—	61.25
March	61.00	61.85	61.20	61.90
May	61.60	—	—	62.50

COTTON 50,000 lb. cents/lb

	Close	High	Low	Prev
March	66.56	66.95	66.50	67.12
May	67.51	67.95	67.51	68.07
July	68.35	68.67	68.35	68.95
Oct	68.20	68.30	68.20	68.50
Dec	68.25	68.42	68.25	68.51
March	69.65	69.70	69.70	69.80
May	70.75	—	—	70.45

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
Feb	25.75	25.85	25.70	25.78
March	25.78	25.90	25.72	25.80
April	25.71	25.80	25.63	25.72
May	25.60	25.73	25.60	25.64
June	25.58	25.58	25.48	25.62
July	25.45	—	—	25.58
Aug	—	—	—	25.58
Sept	—	—	—	25.58
Oct	—	—	—	25.68
Nov	25.50	25.65	25.50	25.58

GOLD 100 troy oz. $/troy oz

	Close	High	Low	Prev
Jan	299.2	—	—	303.1
Feb	300.3	307.0	300.0	304.3
March	302.3	306.8	306.8	305.3
April	304.0	311.0	303.6	308.0
June	308.5	315.0	308.1	312.4
August	312.8	315.3	315.3	316.8
Oct	317.5	320.1	316.5	321.5
Dec	322.5	328.7	322.3	326.5
Feb	327.8	332.0	332.0	331.8
April	333.1	—	—	337.1
June	339.1	—	—	343.1
August	345.1	—	—	349.1
Oct	351.4	—	—	355.4

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Feb	75.65	75.85	75.00	75.27
March	71.55	71.75	71.10	71.43
April	68.60	69.20	68.35	68.97
May	67.20	68.20	67.15	67.75
June	66.70	66.90	66.40	67.00
July	67.00	—	—	67.65

ORANGE JUICE 15,000 lbs. cents/lb

	Close	High	Low	Prev
Jan	157.50	58.10	57.00	57.30
March	160.95	61.45	59.65	60.65
May	161.75	62.30	60.70	61.70
Sept	159.75	59.70	58.95	59.70
Nov	159.00	59.00	58.00	59.00
Jan	159.00	59.00	57.00	58.25
March	158.75	—	—	58.00

PLATINUM 50 troy oz. $/troy oz

	Close	High	Low	Prev
Jan	263.4	275.0	265.0	273.8
Feb	262.0	—	—	—
April	267.5	278.5	267.0	277.8
July	272.0	285.2	272.0	283.8
Oct	270.0	292.0	283.0	290.3
Jan	288.9	298.7	298.4	297.2

SILVER 5,000 troy oz. cents/troy oz

	Close	High	Low	Prev
Jan	597.0	604.5	602.0	603.8
Feb	599.1	—	—	611.0
March	603.0	634.0	602.0	615.0
May	611.6	633.0	610.0	623.7
July	620.6	641.0	619.0	632.8
Sept	630.4	649.0	632.0	642.7
Dec	646.3	660.0	646.5	658.7
Jan	651.7	—	—	664.2
March	663.7	663.0	673.0	675.2
May	674.7	—	—	687.2

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
March	4.69	4.70	4.37	4.36
May	5.09	5.10	4.78	4.77
July	5.51	5.51	5.17	5.18
Sept	5.72	5.72	5.47	5.43
Oct	5.95	5.96	5.54	5.64
Jan	6.41	6.30	6.20	6.10
March	7.11	7.11	6.83	6.91

CHICAGO

LIVE CATTLE 40,000 lbs. cents/lb

	Close	High	Low	Prev
Feb	64.80	64.95	64.57	64.57
April	66.57	66.82	65.45	66.47
June	66.67	67.07	66.60	66.80
Aug	65.05	65.40	64.95	65.20
Oct	63.27	63.65	63.25	63.42
Dec	64.70	64.95	64.60	64.80

LIVE HOGS 30,0000 lbs. cents/lb

	Close	High	Low	Prev
Feb	52.55	52.80	52.50	52.55
April	49.75	50.00	49.70	49.00
June	54.47	54.67	54.30	54.42
July	54.85	54.95	54.60	54.65
Aug	53.70	53.95	53.60	53.72
Oct	49.25	49.40	49.02	49.12
Dec	49.35	49.50	49.25	49.40
Feb	49.00	49.00	48.90	49.00
April	46.20	46.20	46.20	46.20

MAIZE 5,000 bu min. cents/56lb-bushel

	Close	High	Low	Prev
March	269.4	270.6	269.0	269.4
May	274.6	275.4	274.2	274.6
July	277.2	278.0	276.6	277.2
Sept	272.2	272.4	271.2	271.4
Dec	267.4	268.4	266.4	266.6
March	277.4	278.6	277.2	278.0
May	284.6	285.4	284.4	284.4

PORK BELLIES 38,000 lbs. cents/lb

	Close	High	Low	Prev
Feb	74.22	74.75	73.75	73.92
March	74.77	75.20	74.25	74.22
May	76.35	76.72	75.80	75.90
July	77.75	77.65	76.75	76.80
Aug	76.00	75.40	75.00	74.67
Feb	68.02	68.70	68.02	68.22
March	68.20	68.67	68.20	68.20

SOYABEANS 5,000 bu min. cents/60lb-bushel

	Close	High	Low	Prev
Jan	578.6	582.0	577.2	592.0
March	588.4	591.4	587.0	591.4
May	600.0	604.0	599.6	602.4
July	609.0	612.0	609.0	611.6
August	610.0	613.0	609.0	612.0
Sept	604.0	605.0	603.0	605.0
Nov	605.4	607.0	604.0	605.4
Jan	618.0	620.0	617.4	618.4
March	631.0	632.0	631.0	632.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Jan	140.3	142.3	130.7	142.5
March	145.8	147.3	145.3	147.3
May	151.1	152.3	150.8	152.7
July	156.1	157.4	155.8	157.5
August	157.6	159.0	157.6	159.0
Sept	157.5	160.5	159.0	160.0
Oct	159.0	161.0	159.0	160.5
Dec	164.6	165.0	164.0	165.0

SOYABEAN OIL 60,000 lb. cents/lb

	Close	High	Low	Prev
Jan	25.61	25.78	25.55	25.78
March	25.07	25.25	25.05	25.16
May	24.71	24.85	24.61	24.73
July	24.25	24.40	24.27	24.43
August	24.20	24.25	24.10	24.13
Sept	24.08	24.10	24.00	24.03
Oct	23.77	23.80	23.76	23.75
Dec	23.40	23.40	23.30	23.50

WHEAT 5,000 bu min. cents/60lb-bushel

	Close	High	Low	Prev
March	349.0	352.0	348.2	350.2
May	341.4	344.2	341.0	342.6
July	332.4	334.4	331.0	332.0
Sept	333.2	334.0	331.0	332.0
Dec	343.0	343.2	340.0	340.6
March	345.4	—	—	343.4

SPOT PRICES—Chicago 25.25 (25.00) cents per pound. New York tin 504.0-15.0 (505.0-17.0) cents per pound. Handy and Harman silver bullion 611.0 (613.5) cents per troy ounce.

Chinese 'need less imports'

WASHINGTON — Chinese agricultural policies are having a significant impact on the world commodity market, including the amount of grain Peking expects to import from foreign suppliers, according to a U.S. government study.

The analysis by the U.S. Agriculture Department says China's recent record harvests have allowed a build-up in inventories.

"The country has taken several sure steps to increase production and improve diets, and the results have already had an impact on U.S.-China trade," the report said. "China is less dependent on grain imports today than it was just a short time ago."

MARKET REPORT

Higher base rates abruptly reverse equity upturn; index falls 14.7 but retains gain of 27.3 on week

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Dec 24	Jan 10	Jan 11	Jan 21
Jan 14	Jan 24	Jan 25	Feb 4
Jan 28	Feb 7	Feb 8	Feb 18

* "New-time" dealings may take place from 9.30 am two business days earlier.

Base lending rate increases put into reverse yesterday the recent strong advance by leading shares to all-time high points. The news of a general one percentage point rise in clearing bank borrowing charges came as a shock particularly to the equity market which has moved ahead smartly over recent sessions as last week's fears of higher interest rates receded.

The clearers were forced to take action because of their exposure to rising UK money market rates; the key three-month interbank rate jumped to 10½ before easing to 10½ per cent. Contrary to expectations, sterling's free-fall continued after the base rate moves and first thoughts were that the rise may not be enough to stem the tide.

Some short-term investors panicked and both stocks and shares dived on an initial rush of selling. Institutional operators were content to retreat and subsequently began picking up stock at the lower price levels. The pound's rally from the lowest point against the dollar brought further relief and share values recovered accordingly.

Stores and other consumer issues, which bore the brunt of the late-morning liquidation, led the recovery. Illustrating the tense morning scenes, the FT Ordinary share index was 21 points down at noon before it progressively reduced the loss to one of 14.1 at the close. Over an eventful week, the index was still up 27.3, and hit a record 983.1 on Wednesday following aggressive institutional support.

Dearer money trends added to the problems besetting the Gilt-edged market which resumed its downturn after the brief mid-week respite. Fresh offerings of both short and longer-dated stocks found investors extremely unwilling in front of possible new Government funding at the official 3.30 pm close. In the event the authorities held off but quotations showed little sign of steadying and the longs closed a point down in places. Shorter maturities gave up amounts stretching to ½, while index-linked issues were similarly lower.

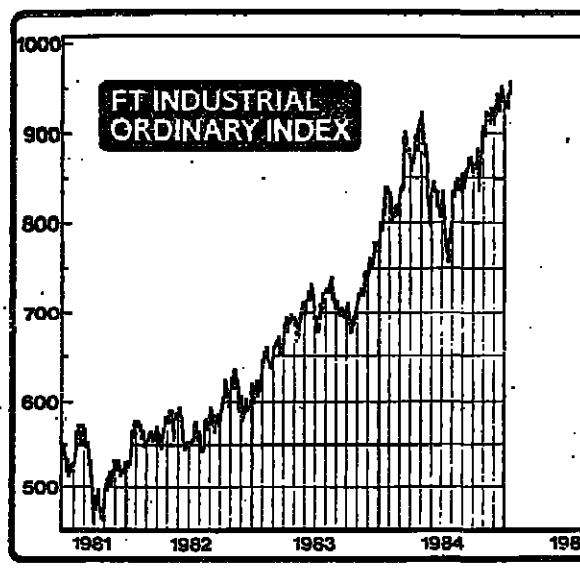
The suspension of trading in both **Royal Bank of Scotland** and **Charterhouse J. Rothschild**, at 250p and 116p respectively, prior to the announcement that CJR plans to sell its Charterhouse Japhet merchant banking arm and parts of its development capital interests to Royal Bank of Scotland for around £145m, sparked off speculative buying of other merchant banks. **Britannia Arrow** were immediately popular and closed 9 higher at 100p on hopes that CJR would bid. **Hambros** rose 10 to 175p, after 178p, and **Kleinwort Benson** advanced a further 18 to 443p. **Schroders** appreciated 38 to 788p in a thin market, while **Hil Samuel** hardened a few pence to 348p. The increases in base lending rates had little impact on the major clearing banks whihc ended a shade easier for choice. **Lloyds**, at 542p recorded an above-average fall of 6, while **NatWest** softened a few pence to 607p.

Commercial Union, having been strongly supported late Thursday on revived suggestions that the group had sold its loss-making U.S. interests, opened sharply higher at 204p but soon drifted back to 196p before closing at 198p. Other Composites attracted an increased interest with **General Accident** rising 8 to 533p and **GRE** 5 to 677p. Elsewhere, **Hogg Robinson** featured with a rise of 12 to 245p as take-over hopes revived in the wake of Thursday's news that Aitken Hume had disposed of its entire shareholding in the company.

Leading Breweries succumbed to the widespread malaise. **Bass** dipped 10 to 493p, while smaller falls were noted for **Whitbread** A, 218p, **Allied-Lyons**, 160p, and **Arthur Guinness**, 230p. Regionals were again highlighted by a lively two-way business in **Matthew Brown** which touched 318p at the outset, slumped to 305p, but then attracted renewed speculaticve demand and finally settled a net 2 up at 310p.

Timber issues were hardest hit in the Building sector after comment on **Magnet** and **Southerns'** half-yearly results; **Magnet** encountered fresh selling and shed 4 for a two-day fall of 14 to 110p, while **Meyer International** came on offer and lost 6 to 124p. Losses among the leaders were relatively modest. **Blue Circle** settled 7 lower at 478p, after 475p, while **BPB Industries** ended 4 off at 268p. after 265p. **RMC** were unchanged at 358p following the completion of the 5.9m vendor share placing to finance its latest West German acquisition. Recently-firm **George Wimpey** slipped 3 to 120p, but **Costain** remained a good market and hardened 2 to 380p for a gain on the week of 18. Buying ahead of next Tuesday's annual results lifted **Countryside** 8 to 230p.

ICI remained resilient and *moved forward on U.S. buying* to close 8 higher at a 1984-85 peak of 758p; the annual results are due on February 28. Among other Chemicals, **Morceau** continued to reflect the good annual results and the close was 4 up at 192p. **Coates Brothers** issues attracted speculative buying, the ordinary rising 4 to 162p and the A the same amount to 159p.



Stores dip and rally

Buoyant earlier in the week, leading Stores reacted sharply to the moves towards dearer money, although falls were reduced in the later trading. Recent high-flier **Burton** dipped to 431p but settled only 6 off on balnce at 446p—up 34 over the five-day period. **Habitat Mothercare** fell 12 to 378p, after 370p, while similar losses were seen in **British Home**, 261p, and **Gussies A**, 695p. **Marks and Spencer** gave up 5 at 122p.

Dixons encountered nervous selling in front of next Thursday's half-time and slumped to 533p before finishing a net 9 off at 549p; **Currys** closed 11 lower at 604p, after 597p. **MFI**, also due to reveal interim figures next Thursday, declined 14 to 261p, while **Harris Queensway** gave up 10 at 224p, after 218p. **Home Charm**, on the other hand, hardened a few pence to a 1984-85 peak of 283p on revived speculative support. Mail-orders lost much of the ground won recently with **Freemans** 10 lower at 184p and **Empire** 4 cheaper at 108p. **Ratners (Jewellers)** hardened the turn to 59p, after 55p, the increased mid-term deficit being eclipsed by the bullish tenor of the accompanying statement. **Stead and Simpson**, however, eased 3 to 165p, after 160p, despite the increased interim profits and dviidend.

Thorn EMI fell 18 more for a two-day decline of 28 at 447p following comment on the interim results. **British Telecom's** first interim figures were well received and the shares improved further to a new peak of 122p before closing unchanged at the overnight level and 14 higher on the week at 120p. Other Electrical leaders succumbed to profit-taking. **Cable and Wireless** fell 20 to 484p, while **Plessey** cheapened 4 to 204p. **Racal** also gave up 4 to 276p, after 274p, the interim results are scheduled for January 23. Elsewhere, **Multitone** reflected the poor half-year figures with a fall of 10 to 80p, after 78p, while **Microvite** dipped 12 to 83p, after 76p. **Brown Boveri Kent**, 92p, and **CPS Computer**, 165p, firmed 7 apiece on Press comment. **Mnemos** rose 4 to 44p following confirmation of the licensing deal with Sperry Corporation.

TI, the sector's current bid favourite, ran back 6 to 244p on profit-taking, but other leading Engineers escaped relatively unscathed. Secondary issues wer highlighted by a rise of 28 to 148p in **C. H. Bailey B** shares amid talk of a possible bid battle for the company; it was announced on Thursday that the chairman, Mr Christopher Bailey, had disposed of 4.3m Ordinary shares. Comment on the interim figures left **Howden** 4 to the good at 78p and Press mention prompted a similar rise in **Brown and Tawse** at 126p.

The Food sector's recent bid favourites fell sharply before staging a useful rally. **Tate and Lyle**, the sector's prime bid target, dipped to 460p before picking up to close only 5 cheaper on balance and still 33 up on the week at 470p. **United Biscuits** finished 3 off at 214p, after 211p, while **Rowntree Mackintosh** closed a couple of pence firmer on the day at 372p, after 368p. Food Retailers lost some of their recent sparkle and **J. Sainsbury** fell 6 to 296p, as did **Kwik Save**, to 174p. Takeover favourite **Hillards** dipped to 314p before late support left the close just 4 cheaper on balance at 350p.

Hotels succumbed to selling and registered moderate falls. **Grand Metropolitan** shed 5 to 303p, after 300p, and **Trusthouse Forte** lost the same amount to 153p; the latter's annual results are expecied next Wednesday.

Pentland up again

Profit-taking developed throughout the miscellaneous industrial sector, particularly in some of the recent high fliers, but the day still produced several outstanding gains. **Pentland** again featured with a fresh advance of 28 to 363p, afetr 380p, the rise taking place in a market none-too-well supplied with stock amid talk of bid possibilities. **Bestwood** jumped 21 to 234p following ath announcement that Mr A. F. Cole had acquired a 29.9 per cent stake in the company, while **Hestair** rose 8 to 65p on news that the company had indentified nominee holdings amounting to approximately 4.8 per cent of the Ordinary capital. Speculative demand lifetd **Barham** 30 to 370p and left **UKO Internatioinal** a couple of pence dearer at 102p, after 108p. Bid talk was responsible for a rise of 9 to 110p in **LCP**. In contrast, **Peter Black**, a strong market earlier in the week, ran back 18 to 210p following the interim figures. Profit-taking clipped 7 from **F. H. Tomkins**, at 157p, while **Fisons** fell 7 to 290p and **Polly Peck** 9 to 233p. Most leading issues closed well above the worst, **BOC** ending 3 cheaper at 275p, after 270p, and **Hanson Trust** a couple of pence lower at 335p, after 327p. **Boots**, refleting a sharp shake-out in the Store sector, closed 7lower at 191p, after 186p, while **Reed International** fell to 544p before settling 10 cheaper on balance at 552p.

Buying in a restricted market following Press comment lifted **Samuelson Group** 65 to 615p.

Associated Newspapers provide a rare firm spot, closing 8 dearer at 533p after announcing prelinary profits well in excess of market estimates. **Daily Mail A** advanced 90 in the late business to 965p. **Fleet Holdings** attracted fresh speculative support and rose 5 to 207p. Elsewhere, **DRG** were wanted at 164p, up 4, but cautious comment on the annual results left **Valin Pollen** 13 off at 343p.

Properties were marked lower in the face of the base lending rate increases. The move, however, deterred sellers and the leaders staged a minor rally late in the session. **Land Securities** finished 4 cheaper at 298p, after 296p, while **MEPC** settled 3 off at 312p, after 310p. **Great Portland Estates** slipped a couple of pence to 154p following news that Sun Alliance had reduced its stake to 3.99 per cent. Elsewhere, **London and Edinburgh** continued to respond to Press comment and rose 6 afresh to 204p. **Five Oaks** gained 3 to 29p on talks of an imminent property deal. Dealings in the troubled construction concern **Espley Trust** were suspended at 10p pending clarification of a newspaper report which stated that petitions have been laid in the High Court to wind up Espley Trust and its subsidiary Espley Tyas Property.

St Andrew Trust rose 8 to 303p on news that the Ecclesiastical Insurance Office had acquired 385,000 shares at 312, thereby lifting its holding to 33.36 per cent; to comply with the Takeover Code, the EIO will offer the same terms to outstanding shareholders.

Oils lower

The Oil majors came under selling pressure early in the session and registered double-figure losses in many cases before staging a general rally during the afternoon, aided by renewed firmness in crude oil spot markets.

Royal Dutch were an exception and responded to the weakness of sterling to close ½ to the good at a year's best of £43. **Shell** initially fell away to 650p but rallied to end the day a net 5 up at 658p. **BP** were finally 7 off at 483p, after 478p. **Burmah** attracted "new time" buying and put on 5 to 231p.

A number of features emerged from second line issues. **Falcon Resources**, a strong market throughout the week, jumped to a record 300p before closing a net 37 up 290p — a five-day gain of 85. **Clyde Petroleum** moved up 4 more to 97p, following news of the appointment of the former head of BP's oil exploration team as Clyde's exploration director. Ireland's **Oliver Prospecting** slumped a further 20 to 65p — a week's loss of 75p — amid persistant talk of a dry well in the Celtic Sea.

Golds firmer

The latest slide in sterling against the dollar and a reasonably steady showing by the bullion price prompted another firm showing by South African sectors of mining markets. Australians, too, extended their recent recovery movement.

Turnover in Golds remained at minimal levels but sufficient business was generated by a number of U.S. buying orders to produce a clutch of firm features. **Winkelhaak** benefited from persistant American interest and closed £3¼ up at £25¼. **Vaal Reefs**, expected to announce a final dividend next week, were also well supported and moved up £2½ to £74¼, while **Southvaal** added a point at £32¾ and **Western Deep** ¾ at £31.

UK-registered Financials moved narrowly in either direction but **RTZ** rallied from 592p to close 3 up on balance at 600p.

The Gold Mines index advanced 11.5 more to 474.2, a two-day rise of 22.9 and a week's gain of 15.2.

Australians made rapid progress led by leading diversified stocks. **Peko-Wallsend**, depressed recently by the proposed acquisition of Bell Resources' stake in Weeks Australia for around A$190m, continued their recent rally and settled a further 18 higher at 314p. Other strong performances were forthcoming from **CRA**, 12 up at 362p, and **MIM Holdings**, 9 firmer at 178p.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Jan 11 1985 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur Jan 10 Index No.	Wed Jan 9 Index No.	Tues Jan 8 Index No.	Mon Jan 7 Index No.	Year ago (approx.) Index No.	1984-85 High	1984-85 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (207)	562.11	−1.0	9.45	3.73	13.27	567.85	569.03	561.03	556.34	491.10	569.03 9/1/85	450.90 12/7/84	569.03 9/1/85	50.71 13/12/74
2	Building Materials (23)	502.66	−1.1	12.77	4.95	9.70	508.34	508.26	505.29	499.75	464.07	537.59 27/4/84	402.18 12/7/84	537.59 27/4/84	44.27 11/12/74
3	Contracting, Construction (30)	747.12	−0.8	12.84	5.26	9.96	753.12	749.95	738.97	732.13	725.26	776.48 25/4/84	602.70 19/7/84	831.09 15/3/83	71.48 2/12/74
4	Electricals (15)	1664.75	−1.5	9.74	4.48	12.97	1689.39	1661.39	1632.77	1624.92	1769.24	1802.52 20/3/84	1404.90 24/7/84	1909.93 3/6/83	84.71 25/6/62
5	Electronics (36)	1941.38	−1.1	7.55	2.50	17.10	1963.38	1977.60	1932.11	1923.20	1726.92	2049.05 13/11/84	1581.70 31/5/84	2049.05 13/11/84	1581.70 31/5/84
6	Mechanical Engineering (60)	284.93	−0.7	11.80	4.52	10.10	287.02	285.75	285.67	281.70	228.14	287.02 10/1/85	212.79 3/1/84	287.02 10/1/85	45.43 5/1/75
8	Metals and Metal Forming (8)	168.67	−3.2	13.47	7.69	9.98	174.31	174.21	172.57	169.30	185.29	209.74 13/3/84	153.97 18/10/84	209.74 13/3/84	49.65 6/1/75
9	Motors (18)	150.23	−1.2	11.65	5.03	—	152.12	152.59	152.57	149.54	130.33	152.59 9/1/85	112.73 19/7/84	170.59 15/1/69	19.91 6/1/75
10	Other Industrial Materials (17)	855.60	−0.5	5.90	3.13	21.15	860.19	864.61	849.75	845.73	630.88	864.61 9/1/85	592.04 13/7/84	864.61 9/1/85	277.55 15/1/81
21	CONSUMER GROUP (179)	626.98	−1.5	9.24	3.77	13.08	636.80	634.82	627.80	617.50	484.18	636.80 10/1/85	461.40 3/1/84	636.80 10/1/85	61.41 13/12/74
22	Brewers and Distillers (23)	570.10	−1.5	11.85	4.68	10.40	578.82	586.20	577.79	565.35	460.12	586.20 9/1/85	439.89 3/1/84	586.20 9/1/85	69.47 13/12/74
25	Food Manufacturing (20)	495.43	−0.9	11.85	4.66	10.56	500.08	495.15	486.51	480.85	389.82	500.08 10/1/85	356.25 12/7/84	500.08 10/1/85	59.67 11/12/74
26	Food Retailing (12)	1448.72	−1.3	6.61	2.43	20.16	1468.44	1438.01	1443.56	1432.46	1114.52	1468.44 10/1/85	1057.23 10/2/84	1468.44 10/1/85	54.25 11/12/74
27	Health and Household Products (9)	1008.58	−1.6	5.72	2.62	20.54	1025.12	1028.00	1032.84	1015.85	769.43	1032.84 8/1/85	706.26 4/1/84	1032.84 8/1/85	175.38 28/5/80
29	Leisure (23)	700.12	−1.8	7.75	4.49	16.73	713.20	715.06	700.86	695.31	624.85	715.06 9/1/85	522.19 25/7/84	715.06 9/1/85	54.83 9/1/75
32	Newspapers, Publishing (11)	1520.28	+0.4	7.58	4.77	17.06	1514.88	1516.32	1485.26	1466.33	1148.79	1520.28 11/1/85	1087.65 3/1/84	1520.28 11/1/85	55.08 6/1/75
33	Packaging and Paper (14)	299.24	−1.6	12.36	4.84	9.42	304.03	302.19	299.39	295.15	226.50	304.03 10/1/85	211.47 24/7/84	304.03 10/1/85	43.46 6/1/75
34	Stores (45)	555.10	−2.4	7.24	3.34	16.70	568.78	564.65	552.68	542.44	446.33	568.78 10/1/85	388.27 12/7/84	568.78 10/1/85	52.63 6/1/75
35	Textiles (19)	316.11	−1.4	12.61	4.42	9.14	320.49	319.31	310.23	302.04	262.54	320.49 10/1/85	243.79 16/7/84	320.49 10/1/85	62.66 11/12/74
36	Tobaccos (3)	936.64	−0.8	13.38	4.10	8.33	943.94	941.01	939.05	918.25	538.20	943.94 10/1/85	508.50 5/1/84	943.94 10/1/85	94.34 13/6/62
41	OTHER GROUPS (97)	639.96	−0.3	9.25	4.08	13.73	642.09	635.60	623.70	614.91	435.25	642.09 10/1/85	408.65 12/7/84	642.09 10/1/85	58.63 6/1/75
42	Chemicals (17)	744.72	+0.4	12.10	4.38	10.55	741.61	740.99	726.10	715.95	640.12	744.72 11/1/85	543.52 13/7/84	744.72 11/1/85	71.20 1/12/74
44	Office Equipment (4)	162.90	−2.0	6.94	4.72	16.36	166.21	164.52	162.95	162.62	120.54	166.21 10/1/85	109.30 3/1/84	246.06 1/9/72	45.34 2/1/75
45	Shipping and Transport (13)	1007.89	−0.3	8.58	4.84	14.89	1010.45	1008.22	995.17	976.69	823.25	1010.45 10/1/85	766.98 12/7/84	1010.45 10/1/85	90.80 29/6/62
46	Miscellaneous (61)	821.96	−0.3	7.92	3.38	15.33	824.78	821.66	812.43	806.34	557.24	824.78 10/1/85	533.90 4/1/84	824.78 10/1/85	60.39 6/7/75
48	Telephone Networks (2)	757.80	−0.6	8.83	4.25	14.77	762.61	747.30	729.18	715.47	0.0	762.61 10/1/85	519.15 30/11/84	762.61 10/1/85	519.15 30/11/84
49	INDUSTRIAL GROUP (483)	623.17	−1.1	9.30	3.84	13.29	630.05	627.87	619.21	610.77	484.19	630.05 10/1/85	456.41 12/7/84	630.05 10/1/85	59.01 13/12/74
51	Oils (17)	1064.33	−0.7	16.39	7.06	7.55	1071.65	1073.35	1076.49	1067.33	953.09	1199.54 21/5/84	933.37 30/7/84	1199.54 21/5/84	87.23 29/5/62
59	500 SHARE INDEX (500)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (118)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (7)	319.06	+1.3	—	5.85	—	314.84	313.79	311.67	310.00	263.15	319.06 11/1/85	247.22 3/1/84	319.06 11/1/85	43.96 13/12/74
67	Insurance (Brokers) (6)	1064.70	−0.9	7.23	3.25	19.18	1073.98	1066.44	1042.99	1021.79	678.28	1073.98 10/1/85	610.72 1/3/84	1073.98 10/1/85	65.86 16/12/74
68	Merchant Banks (12)	246.93	+2.4	—	4.34	—	241.22	238.68	229.24	226.99	248.64	251.54 11/4/84	184.10 24/7/84	278.57 1/5/72	31.21 7/1/75
69	Property (53)	630.25	−0.8	5.39	3.55	24.71	635.18	642.60	640.67	633.00	549.13	648.74 19/12/84	520.77 10/2/84	648.74 19/12/84	56.01 20/4/65
70	Other Financial (25)	279.07	+0.9	9.57	5.56	12.71	276.60	273.28	269.75	268.93	274.35	283.65 30/1/84	224.07 24/7/84	303.18 18/5/72	33.29 17/12/74
71	Investment Trusts (105)	580.94	+0.4	—	3.34	—	578.42	572.88	568.83	564.73	509.90	580.94 11/1/85	457.91 1/6/84	580.94 11/1/85	71.12 13/12/74
81	Mining Finance (4)	276.69	+0.3	10.67	5.48	11.88	275.93	271.22	271.84	269.78	306.90	337.57 10/4/84	250.14 24/7/84	337.57 10/4/84	66.31 30/9/74
91	Overseas Traders (14)	644.36	−0.4	9.10	6.03	13.45	646.66	631.72	625.28	618.73	542.71	646.66 10/1/85	485.16 12/7/84	646.66 10/1/85	97.37 6/1/75
99	ALL-SHARE INDEX (741)	602.05	−0.8	—	4.35	—	606.91	605.13	598.31	590.93	490.81	606.91 10/1/85	464.84 24/7/84	606.91 10/1/85	61.92 13/12/74
		Index No.	Day's Change	Day's High	Day's Low										
	FT-SE 100 SHARE INDEX	1248.6	−12.4	1265.3	1240.9	—	1261.0	1259.2	1243.5	1229.0		1261.0 10/1/85	986.9 23/7/84	1261.0 10/1/85	986.9 23/7/84

FIXED INTEREST

	PRICE INDICES	Fri Jan 11	Day's change %	Thur Jan 10	xd adj. today	xd adj. 1985 to date
	British Government					
1	5 years	117.50	−0.41	117.99	—	0.16
2	5-15 years	128.31	−0.80	129.34	—	0.00
3	Over 15 years	134.78	−0.83	135.91	—	0.00
4	Irredeemables	146.84	−0.50	147.58	—	0.00
5	All stocks	127.28	−0.66	128.13	—	0.06
6	Debentures & Loans	108.20	−0.51	108.75	—	0.00
7	Preference	77.39	—	77.39	—	0.00
	BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8	All stocks	108.60	−0.59	109.25	—	0.00

	AVERAGE GROSS REDEMPTION YIELDS		Fri Jan 11	Thur Jan 10	Year ago (approx.)	1984 Highs	1984 Lows
	British Government						
1	Low	5 years	10.81	10.64	9.32	12.02 30/7/84	9.24 17/1/84
2	Coupons	15 years	10.62	10.50	9.98	11.65 30/7/84	9.88 9/1/84
3		25 years	10.28	10.10	9.70	10.98 23/7/84	9.63 9/1/84
4	Medium	5 years	11.45	11.26	10.94	13.13 30/7/84	10.49 13/3/84
5	Coupons	15 years	11.06	10.92	10.53	12.20 30/7/84	10.41 9/1/84
6		25 years	10.46	10.34	9.95	11.53 23/7/84	9.87 9/1/84
7	High	5 years	11.57	11.36	11.07	13.18 30/7/84	10.62 6/3/84
8	Coupons	15 years	11.21	11.08	10.71	12.30 30/7/84	10.61 13/3/84
9		25 years	10.52	10.42	10.03	11.40 23/7/84	9.98 9/1/84
10	Irredeemables †		10.03	9.97	9.64	10.84 30/7/84	9.54 12/11/84
11	Debs &	5 years	11.86	11.73	11.47	12.99 1/8/84	11.18 22/3/84
12	Loans	15 years	11.78	11.69	11.52	13.04 31/7/84	11.29 29/3/84
13		25 years	11.71	11.65	11.54	13.10 12/7/84	11.29 29/3/84
14	Preference †		12.78	12.78	12.24	13.44 17/7/84	11.90 7/3/84
15	Inflation rate	5%	3.43	3.38	3.18	4.02 30/7/84	3.16 4/1/84
16		10%	3.26	3.21	3.01	3.82 30/7/84	2.99 4/1/84

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Telephone Networks	30/11/84	517.92	Food Manufacturing	29/12/67	114.13
Electronics	30/12/83	1646.65	Food Retailing	29/12/67	114.13
Other Industrial Materials	31/12/80	287.41	Insurance Brokers	29/12/67	96.67
Health/Household Products	30/12/77	261.77	Mining Finance	29/12/67	100.00
Other Groups	31/12/74	63.75	All Other	10/04/62	100.00
Overseas Traders	31/12/74	100.00	British Government	31/12/75	100.00
Mechanical Engineering	31/12/71	153.84	Do. Index-linked	30/04/82	100.00
Office Equipment	16/01/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72
Other Financial	31/12/70	128.06	FT-SE 100 Index	30/12/83	1000.00

† Flat yield. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

CONSTITUENT CHANGES: BPM Holdings (32) has been deleted and replaced by Watsham's (4).

NEW HIGHS AND LOWS FOR 1984/85

NEW HIGHS (212)

FOREIGN BONDS (1)
AMERICANS (36)
CANADIANS (3)
BANKS (3)
BREWERS (2)
BUILDINGS (3)
CHEMICALS (6)
STORES (7)
ELECTRICALS (5)
ENGINEERING (4)
FOODS (4)
HOTELS (1)
INDUSTRIALS (29)
INSURANCE (7)
LEISURE (4)
NEWSPAPERS (3)
PAPER (3)
PROPERTY (6)
SHOES (1)
TEXTILES (1)
TRUSTS (74)
OILS (3)
OVERSEAS TRADERS (3)
PLANTATIONS (3)

NEW LOWS (21)

BRITISH FUNDS (1)
Treas 15pc 1985
CANADIANS (1)
Greenwich Resources
CHEMICALS (1)
Mebon
STORES (1)
Steinberg
ELECTRICALS (3)
CPU Computers, Resource Technology, Xylivx
INDUSTRIALS (2)
Anglo-African Fin, Pritchard Services
SOUTH AFRICANS (5)
Abercom, Anglo Amer Ind, Barlow Rand, Messina, Tongaat-Hulett
TEXTILES (1)
Nova Jersey
OILS (3)
Bristol Oil & Min, Carless Capel, Texaco 4½pcCnvLn
MINES (3)
De Beers Dfd, Gem Ex & Minerals, Zambia Copper

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan 7	Jan 18	Apr 11	Apr 22
Jan 21	Feb 1	Apr 25	May 7
Feb 4	Feb 15	May 9	May 20

For rate indications see end of Share Information Service

Money was given for the call of Riley Leisure, Hollis Bros and ESA, Owners Abroad, Jardine Matheson, Thorn EMI, North Kalgurli, Burmah, United Biscuits Warrants, Whessoe, Oceonics, Johnson and Firth Brown, Barratt Developments, West Bromwich Spring, Smith Bros, Falcon Resources, Normans, Gestetner A, James Neill, British Telecom, Allied Plant, Oliver Prospecting, Eglinton Oil and Gas, Tuskar, Brewmaker and Guinness Peat. Puts were transacted in Britoil, Falcon Resources and Arrow Chemicals, while double options were taken out in Hollis Bros and ESA and Falcon Resources.

RISES AND FALLS

	Rises	Falls	Same	Rises	Falls	Same
British Funds	0	101	3	204	285	81
Corpns. Dom. and Foreign Bonds	2	42	29	104	91	170
Industrials	252	516	672	1,873	1,192	4,137
Financial and Props.	175	128	241	910	374	1,438
Oils	27	32	58	121	136	364
Plantations	3	1	13	27	10	48
Mines	83	30	59	264	224	402
Others	126	34	46	420	227	387
Totals	674	890	1,121	3,923	2,539	6,875

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Britannia Arrow	100	+ 9	Hogg Robinson	245	+12
British Telecom	120	—	ICI	758	+ 8
Cable & Wireless	484	−20	Pentland Inds	368	+28
Commercial Union	198	− 6	Rowntree Mackintosh	372	+ 2
Falcon Res	290	+37	Tate & Lyle	470	− 5
Hembros	175	+10	Thorn EMI	447	−18

FINANCIAL TIMES STOCK INDICES

	Jan. 11	Jan. 10	Jan. 9	Jan. 8	Jan. 7	Jan. 4	year ago
Government Secs.	80.95	81.55	81.85	81.49	80.88	81.15	83.33
Fixed Interest	85.17	85.36	85.52	85.32	85.07	85.04	87.82
Ordinary	968.3	982.4	983.1	971.2	955.7	941.0	808.1
Gold Mines	474.2	462.7	451.3	455.2	446.5	459.0	548.5
Ord. Div. Yield	4.47	4.45	4.41	4.45	4.52	4.58	4.60
Earnings, Yld.% (full)	11.32	11.25	11.21	11.35	11.51	11.65	9.00
P/E Ratio (net) (*)	10.54	10.68	10.71	10.60	10.44	10.31	13.54
Total bargains (Est.)	34,675	32,056	28,155	25,557	24,259	21,515	27,300
Equity turnover £m.	—	605.57	648.10	500.48	356.26	287.18	331.76
Equity bargains	—	33,438	28,351	25,750	23,720	20,880	28,089
Shares traded (ml)	—	331.3	309.6	263.4	192.0	165.2	285.5

10 am 980.2, 11 am 970.3, Noon 961.4, 1 pm 983.5, 2 pm 984.2, 3 pm 968.1.

Basis 100 Govt. Secs. 15/1/28, Fixed Int. 1928, Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=10.24.

HIGHS AND LOWS

	1984/85 High	1984/85 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.77 (3/1/84)	75.72 (30/7/84)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/3/84)	80.43 (30/7/84)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	983.1 (9/1/85)	755.3 (25/7/84)	983.1 (9/1/85)	49.4 (26/6/40)
Gold Mines	711.7 (8/3/84)	445.3 (7/1/85)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Jan. 10	Jan. 9
Daily		
Gilt Edged Bargains	152.6	155.3
Equities Bargains	216.7	183.8
Value	1224.0	1303.9
5day Average		
Gilt Edged Bargains	147.3	143.8
Equities Bargains	171.7	156.7
Value	698.0	861.7

LEADERS AND LAGGARDS

Percentage changes since December 30 1983 based on Thursday, January 10 1984

Telephone Networks	+ 8.57	Consumer Group	+ 2.59
Merchant Banks	+ 8.65	500 Share Index	+ 2.59
Textiles	+ 6.68	Chemicals	+ 2.53
Electricals	+ 6.18	All-Share Index	+ 2.35
Office Equipment	+ 5.92	Other Industrial Materials	+ 2.18
Motors	+ 5.43	Contracting, Construction	+ 1.89
Other Groups	+ 5.08	Capital Goods	+ 1.68
Shipping and Transport	+ 4.96	Financial Group	+ 1.64
Tobaccos	+ 4.86	Brewers and Distillers	+ 1.90
Packaging and Paper	+ 4.44	Investment Trusts	+ 1.24
Insurance Brokers	+ 4.21	Insurance (Composite)	+ 1.07
Metals and Metal Forming	+ 3.90	Banks	+ 0.96
Insurance (Life)	+ 3.88	Electronics	+ 0.79
Food Manufacturing	+ 3.81	Mining Finance	+ 0.75
Newspapers, Publishing	+ 3.43	Health and H'sehold Products	+ 0.60
Overseas Traders	+ 3.40	Food Retailing	+ 0.45
Mechanical Engineering	+ 2.99	Oils	+ 0.21
Industrial Group	+ 2.95	Building Materials	− 0.58
Stores	+ 2.89	Property	− 0.82
Leisure	+ 2.76	Gold Mines Index	− 3.38

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Falcon Res	31	253	+25	Burmah Oil	22	226	− 4
Burton	28	452	+21	Chart J. Roth	21	113	—
Cable & Wire	27	504	− 3	BAT Inds	20	380	—
Gates (F. G.)	26	91	+31	BICC	20	262	+ 5
Microvitec	24	95	+15	Thorn EMI	20	465	−10
Brit Telecom	23	190	+ 5	Sound Diffsn	19	140	+ 7
TI	23	250	+12	Empire Stores	18	112	+10

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Last Thurs. close	Change on week	Stock	No. of changes	Last Thurs. close	Change on week
Brit Telecom	118	120	+14½	Racal Elects	88	294	+28
Cable & Wire	105	504	+59	Polly Peck	83	242	+32
Midland Bank	105	348	+13	BOC	82	278	+30
BAT Inds	97	380	+20	BP	82	490	+17
Chart J. Roth	92	113	+10	Falcon Res	81	253	+48
Burmah Oil	91	226	+ 6	BTR	80	672	+19
ICI	91	750	+26	Assoc Dairies	79	158	—

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price	+ or −	Net dividend	Times covered	Gross yield	P/E ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

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STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ◆ Bargains done with non-member or executed in overseas markets.

RULE 535 (3)

Dealings for approved companies engaged solely in mineral exploration

Highland Participants 126 32 5 7 9 42 6
Kenmare Oil Exploration 6 8

(By permission of the Stock Exchange Council)

APPOINTMENTS

Food chain restructure

Mr Keith Edwards has been appointed chairman and **Mr Peter Thistleton** becomes managing director of both Gateway Foodmarkets and International Stores. The Dee Corporation, the parent company, says "these appointments will ensure the smooth integration of the Gateway and International operations. The new entity will trade as Gateway Foodmarkets." Mr Thistleton will remain managing director of Carrefour until further notice. **Mr David Caulfield** has decided to leave the group. **Mr Tony Ransom** has been appointed operations director of Carrefour. **Mr Godfrey Walmsley** has been appointed to the F. C. Welworth board responsible for non-food buying. **Mr Keith Wakeham** has been appointed operations director of Linfood Cash and Carry.

★

Mr R. H. Ranson has been appointed a director of THE EQUITABLE LIFE ASSURANCE SOCIETY. He is the Society's joint actuary.

★

Mr F. A. P. Hall has been appointed deputy chairman and chief executive of OFREX GROUP, a wholly-owned subsidiary of Gallaher. He was previously group managing director.

★

NATIONAL ADVANCED SYSTEMS has appointed **Mr Mike Brereton** as director of micro systems service, Europe. He was European general manager of field service for Bell and Howell.

★

Mr J. A. S. Bright has been appointed engineering director of THORN EMI ELECTRONICS with overall responsibility for all engineering work carried out within the group's 11 business divisions. He was managing director of the company's defence systems division.

★

Mr Peter Robinson, general manager, WOOLWICH BUILDING SOCIETY, has been appointed to the Woolwich's board for Scotland and Northern Ireland.

★

Mr Jim Fallon, director, external relations of MK Electric, has been re-elected to the board of management of the NATIONAL HOME IMPROVEMENT COUNCIL.

★

The president of the SCOTTISH ENGINEERING EMPLOYERS' ASSOCIATION, **Mr David Borthwick**, managing director of Proctor & Schwartz has handed over the appointment to **Mr Patrick R. Prenter**, managing director of MacTaggart Scott & Co.

★

Mr Richard Morrison has been appointed head of marketing at FLYING GOOSE. He joins from the City firm of Van Hommeren UK.

★

MARLING INDUSTRIES has appointed two non-executive directors: **Mr Aad van Adrichem**, who is on the supervisory board of Marling's Dutch companies, as well as being president of Collingwood Fabrics, Ontario; and **Mr Allan Blacher**, previously with Carreras Rothmans and the Thomas Cook Group.

★

Mr Norman A. Holmes has been appointed to the main board of TURRIFF CORPORATION. He is responsible for the whole of the group's construction, property and housing activities.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard, EC4P 4DX. 01-236 1833

High Income				
Gilts & Fixed Int.	111.9	117.9xd	-0.8	10.19
High Inc Equity	77.1	79.5xd	-0.1	6.12
Worldwide Bond	162.6	173.0	+1.0	5.61
Capital Growth				
American Growth	122.4	130.2xd	+1.7	1.46
Assets & Enrgs. Tt.	67.1	73.9	-0.5	3.18
Capital Reserve	55.3	55.6	-0.5	0.76
Commodity & Engy	76.5	81.8	+1.5	2.73
General	102.2	109.3	-1.0	2.78
Japan	168.7	180.4	+4.2	0.00
UK Growth	66.5	71.8	....	2.14
Acc. Units	94.3	101.4	....	2.14
U.S. Emerging Co's	52.2	55.5	+1.4	0.47
Equitas Prog	152.0	162.6	-1.1	3.65

Aitken Hume
30, City Road, EC1Y 2AY. 01-628 6626

American Tech Fd	123.6	132.2	+3.1	0.10
Exempt	417.1	442.2	....	—
Pacific Fd	137.2	146.0	+2.6	0.20
Secured Income Fd	158.5	168.2	-1.0	5.88
Special Sits	161.0	172.3	....	1.56
Energy Fd	36.1	38.8	+0.3	0.60
American Majors	56.0	57.9	+0.5	2.26
Small Co's Fd (10for1)	28.8	30.8		1.97
Jac. Technology	67.4	74.2	+0.3	0.20

Allied Unit Trusts Limited (a)(g)
Allied Hambro House, Hutton, Brentwood, Essex Brentwood. (0277) 211459 & 229123

Balanced Trusts and Income Trusts				
First Trust	158.8	162.3	-1.4	4.14
Growth & Inc Trust	101.3	107.4	-0.8	3.86
Capital Trust	188.0	199.3	-1.7	2.58
Balanced Trust	249.8	266.0	-2.3	3.84
Accum Trust	404.3	428.6	-4.1	3.18
American Income	29.4	31.2	+0.6	4.01
High Income Trust	175.3	186.9	-5.5	5.43
Equity Income Trust	94.9	100.6xd	-0.2	5.60
High Yield Trust	113.2	120.8	-0.5	6.53
Govt Secs Trust	38.2	29.4	-0.3	9.80
International Trusts				
International Trst	66.2	70.2	+1.0	1.65
Japan Trust	69.2	73.4xd	+1.5	0.01
Pacific Trust	126.7	136.6xd	+3.0	0.89
AmerSpecSitsTst	55.7	90.0	+1.6	1.34
Secs.in Amer.Tst.	174.6	185.1	+5.1	1.25
Specialist Trusts				
Allied Asst Val.	156.8	168.1xd	+0.2	3.92
Gilt Growth Tst.	31.0	32.9	-0.4	3.50
Smaller Co.Tst.	90.3	97.5xd	-0.1	2.99
2nd Smlr. Co's Trust	122.8	132.6	-0.4	2.99
Recovery Trust	53.3	56.5	-0.6	3.77
Met Min.CdtyTst.	91.2	96.6	+1.6	3.05
Orange Engs.Tst.	147.5	156.4xd	-1.2	3.34
Technology Tst.	89.8	95.1	+2.0	0.99
Exempt Trusts				
Income Ex. Tst.	97.4	103.2xd	-0.1	6.56
Far East Ex. Tst.	138.1	146.3	+3.5	1.65

Britannia Group—Continued

General Funds				
Uk Growth (Domestic)†	30.4	32.4	-0.2	3.14
Exempt Funds				
Exempt†	89.9	93.5	-0.5	4.17
Ex. Mkt. Ldrs	63.0	66.0xd	-0.7	3.26
MEL Trusts				
Nelstar Gilt & F.I.	66.2	67.9	-0.5	9.34
Nelstar High Income	58.1	61.2		6.34

Brown Shipley & Co. Ltd. (a)(g)
9-17 Perrymount Rd, Haywards Hth 0444 458144

B.S. Fund	47.1	50.6	-0.5	4.37
B.S. Accum.	75.2	80.8	-0.4	4.37
Financial	90.6	96.9	+0.2	3.10
Growth Accum	160.3	172.1	-1.3	—
Growth Income	105.2	113.1	-0.7	1.87
High Income	46.2	49.6	-0.1	6.11
Income	51.1	55.8	-0.2	5.06
North American	50.0	53.7xd	+1.4	1.36
Orient	52.4	56.3	+1.0	0.16
Recovery	25.3	27.2xd	-0.2	4.01
Technology	150.0	161.3	+1.6	0.45
Exempt	153.8	165.3	-1.0	3.51

Buckmaster Management Co. Ltd. (a) (c)
The Stock Exchange, EC2P 2JT. 01-588 2868

General Inc Jan 10	158.3	166.4xd	......	3.62
Accum Units Jan 10	243.1	255.5	..	3.62
Income Jan 9	72.9	76.9	..	5.47
Accum Units Jan 9	119.4	126.0	......	5.47
Intl Jan 8	107.0	112.3	..	1.68
(Accum Units) Jan 8	138.6	145.3	..	1.68
Smaller Co's Jan 11	930.9	995.5	+39.5	1.15
(Accum Units) Jan 11	973.4	1041.0	+41.3	1.15

Canada Life Unit Trust Mngrs. Ltd.
2-6 High St, Potters Bar, Herts. P Bar 51122

Can. Gen Dist.	87.9	92.5	-1.0	2.87
Do. Gen Accum	132.8	139.8	-1.4	2.87
Do. Income Dist.	59.5	62.6	-0.4	6.08
Do. Inc. Accum.	113.7	119.7	-0.8	6.08
Gilt & Fxd. Int. Trust	34.1	35.9	-0.4	—

Cannon Fund Managers Ltd. (z)
1, Olympic Way, Wembley, HA9 0NB. 01-902 8876

Growth	209.2	222.5xd	+0.7	3.58
Income	237.7	252.9xd	+0.7	5.34
Far East	131.0	139.4	+3.8	0.57
North American	116.9	124.4	+3.5	2.04

Capel (James) Mngt. Ltd.
100, Old Broad St, EC2N 1BQ. 01-588 6010

Capital	246.9	259.9	..	2.57
Income	185.9	195.7	..	5.72
North American	238.3	251.4		1.06

Prices on January 9. Next dealing January 16.

Cater Allen Unit Tst Managers
1, King William St, EC4N 7AU. 01-623 6314

Cater Allen Gilt Tst	100.7	107.0	-0.9	11.35

Cent. Bd. of Fin. of Church of England‡‡
77 London Wall, EC2N 1DB. 01-588 1815

Inv Fd Dec 31	326.68	..	4.59
Fxd Int Secs Dec 31	132.40	..	10.80
Dep Fd Mar Dec 31	100.0	..	9.70

Charinco Charities N/R Fund‡‡

INSURANCES

هكذا اصل الأصل

INSURANCE, OVERSEAS & MONEY FUNDS

Target Trust Mngrs (Jersey) Ltd
PO Box 194, St Helier, Jersey. 0534 72936
Man Cur Fd 106.9 112.7 +0.3 4.08

Tennant (Cayman) Managers Ltd and NATCO
PO Box 2189, Grand Cayman. (809) 9497436
Wstmstr-Cm 57.66 8.08 .... —

Tokyo Pacific Holdings NV
Intimis Management Co NV, Curacao. NAV per share $128.14.

Tokyo Pacific Hldgs (Seaboard) NV
Intimis Management Co NV, Curacao. NAV per share $97.50.

Tyndall Bank (Isle of Man) Ltd
30 Athol St, Douglas, IoM. 0624 29201

Stg Mny Acc	9.00	—	....	—
US$MnyAcc	7 250	—	....	—

Tyndall Managers
2 New St, St Helier, Jersey. 0534 37331

TOFSL	201.9	216.9	....	1.15
American	215.2	232 4	.	1 72
Far Eastern	273.2	292.0	....	0.86
European	119.2	127.8	.. .	0.77
Prtflo Man	108 44	116.5	.	—
Prtflo Amer	103.8	111.9	.	—
PrtfloSlEst	112.1	120 0	....	—
PrtfloSlEuro	111.8	119 8		—
Jersey Fd	176.6	193.0	... .	4.72
(Nn-(AcUts)	432.8	472.6	....	—
Gilt Funds	114.8	117.0	....	10.33
(AccumShs)	310.0	315.4	....	—
[illegible]				0624 24111
HighIntGilt	110.6	112.8	....	12.58
(Acum Shs)	212.6	216.6	... .	—

Tyndall International Assurance Ltd
Albert House, St Peter Port, Guernsey. 0481 27066

Int Equity	4 53	477 2	..	—
Do $	5.150	5.425	....	—
PacificEqty	141.6	149.1	....	—
Do $	1.605	1.690	. ..	—
NAmerEqty	95.4	101.5	....	—
Do $	1.095	1.155	....	—
UK Equity	315.5	332.2	....	—
Do $	3.580	3 770	.. .	—
Euro Eqty	124 6	131.2	. .	—
Do $	1 415	1 490	....	—
IntlFxdInt	487.0	512 7	. .	—
Do $	5 530	5 825	..	—
StlgFxdInt	272.9	287.3	...	—
Do $	3 [illegible]	3 [illegible]		—
$ Deposit	154 3	162.5	....	—
Do $	1 750	1 [illegible]	. .	—
StgDeposit	15[illegible] 1	16[illegible]	. .	—
Do $	1.795	1.890	..	—
Commodty	510 0	536.9	....	—
Do $	5 790	6 095	....	—
Gold	[illegible]	[illegible]	....	—
Do $	0.915	0.965	....	—
UK Prpty	195 2	205 5	....	—
Do $	2 215	2.335	....	—
Intl Mangd	385 0	407 2	....	—
Do $	4.350	4 580	.. .	—
UK Mngd	265 3	279.3	. ..	—
Do $	3.010	3.170	....	—

Tyndall-Guardian Mngt Ltd

[illegible]

Wren Commodity Management Ltd
10 St George St, Douglas, IoM. 0624 25015

Wren Com Fd	12.7	13.2	.	3.19
Chinese Fd	58.8	61.2	.	1.70
PrecFstFd	80.3	83.6	....	8.30
VangCmdyFd	21.5	22.1	. .	—
FinFuturesFd	32.4	33.8	.	—

Yamaichi Dynamic Mngt Co SA
10a Boulevard Royal, Luxembourg
Dynamic Grth Fd 58.79 −0.03 —

Money Market Trust Funds

	Nom	Apr	Int Cr	Notice
The Money Market Trust				
63 Qn Victoria St, EC4P 4ST.				01-236 0952
Call Fund	9.16	9.38	6mth	Call
7-day Fund	9.19	9.42	6mth	7-day
Oppenheimer Money Management Ltd				
Call Fund	8.66	8.84	6mth	Call
66 Cannon St, EC4N 6AE				01-236 1425
7-day Fund	8.95	9.15	6mth	Call
Mny Mg Acc	8.50	8.78	6mth	Call
Dollar	7.60	7.12	6mth	1-day

Money Market Bank Accounts

	Nom	Apr	Int Cr	Notice
Aitken Hume				
30 City Road, EC1Y 2AY.				01-638 6070
TreasuryAcc	9.375	9.71	Qtr	Call
MthIntChq	9.25	29.65	Mth	Call
Bank of Scotland				
38 Threadneedle St, EC2P 2EH.				01-628 8060
Cheque Acc	9 45	9.87	Mth	Call
Barclays Prime Account				
PO Box 125, Northampton.				0604 252891
High Int Chq	9.75	10.11	Qtr	Call
Britannia Grp of Investment Companies				
29 Finsbury Circ, EC2M 5QL.				01-555 2777
Cater Allen	10.00	10.47	Mth	Call
Charterhouse Japhet plc				
1 Paternoster Row EC4M 7DH				01-248 3999
Sterling	9.25	9.652	Mth	Call
U.S. Dollar	8.00	8.300	Mth	Call
German Marks	5.0	5 116	Mth	Call
Swiss Francs	2 0	2.014	Mth	Call
Japanese Yen	5.0	5.115	Mth	Call
Co-operative Bank				
78-80 Cornhill, EC3.				01-626 6543 Ext 464
Under £1000	8.00	8.24	Qtr	Call
Over£1000	10.00	10.38	Qtr	Call
Dartington & Co Ltd				
Dartington, Totnes, Devon, TQ9 6JE.				0803 862271
MnyMktAcc	9.50	9.84	Qtr	Call
Henderson/Bank of Scotland				
38 Threadneedle St, EC2P				01-628 8060
MyMtChqAc	9.45	9.87	Mth	Call
Lombard North Central plc				
17 Bruton St, W1A 3DH.				01-409 3434
Notice Dep	10.00	10.25		Ret 14-day
M & G Kleinwort Benson				
91-99 New London Rd, Chelmsford.				0245 51651
HighIntChqAc	10 12	10.65	Daily	Call
Midland Bank plc				
PO Box 2, Sheffield				0742 20999 Ext 8738
High Int Chq	9.38	9.74	Qtr	Call
Provincial Trust (formerly Choulartons)				
30 Ashley Rd, Altrincham, Cheshire, WA1 2DW				061-928 9011
Cheque Acc	9.75	10.20	Mth	Call
Save & Prosper/Robert Fleming				
28 Western Rd, Romford, RM1 3LB.				0708 66966
HighIntBkAc	8.80	9.20	Daily	Call
Premier Acc	8.80	9.20	Daily	Call
Tyndall & Co				
29-33 Princess Victoria St, Bristol BS8 4BX.				0272 732241
Demand Acc	9.31	9.64	Qtr	Call
Money Acc	9.125	9.41	Qtr	Chq 7
J. Henry Schroder Wagg & Co Ltd				
Enterprise House, Portsmouth.				0705 827733
Special Acc	9.00	9.38	Mth	Call
Over £10,000	9.25	9.65	Mth	Call

NOTES—Interest rates given both as a nominal rate and an annual percentage rate adjusted for frequency of interest credit.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered prices include all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. $ Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ● Yield column shows annualised rates of NAV increase.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COM'WEALTH & AFRICAN LNS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

AMERICANS—Cont.

[illegible]

CANADIANS

[illegible]

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BEERS, WINES—Cont.

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY & STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا أصل الأصل

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

MINES—Continued

Diamond and Platinum

1984-85 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£73	£37	Anglo-Am.Inv.50c	£37	−1	Q590c	1.0	6.6
616	344	De Beers Df. 5c	344	−1	Q40c	3.6	4.8
925	675	Do. 40pc Pf. R5	675	.....	Q200c	♦	12.7
£11¼	856	Impala Plat. 20c	910	+10	Q135c	1.7	6.2
715	410	Lydenburg 12½c	430	+10	Q50c	♦	4.8
880	620	Rus. Plat. 10c	650	+10	Q60c	1.8	3.8

Central African

1984-85 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
280	145	Falcon Z50c	160	.....	Q100c	2.7	36.4
17	8	Wankie Col. Z$1	13	+1	—	—	—
21	13	Zam.Cpr.SBD0.24	13	−1	—	—	—

Australians

1984-85 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
41	17	♥ACM 50c	34	+4	—	—	—
38	17	♥Allstate Expl's. NL	22	+1	—	—	—
10½	3¼	♥Asia Oil & Minerals	3¼	.....	—	—	—
20	12	♥Aust. Hydrocarbons NL	16	.....	♦	—	—
28	10½	♥Australis Mng N.L.	13½	.....	—	—	—
45	15	♥Balmoral Res.	18	−1	—	—	—
36	17	♥Black Hill Mins	18	.....	—	—	—
86	51½	♥Bond Corp	84	+1	t06.67c	♦	5.8
177	90	♥Bougainville 1 Kina	121	+6	t016.4c	1.2	‡
406	276	♥CRA $2	362	+12	tQ12c	1.5	2.3
86	44	♥Carr Boyd 20c	58	+1	—	—	—
40	18	♥Central Kalgoorlie	29	.....	—	—	—
43	20	♥Central Pacific	29	.....	—	—	—
4¾	2½	♥Cons. Gld Mg Areas NL	3¼	+¼	♦	—	—
8½	4¼	♥Coopers Res. NL	5	.....	—	—	—
26	7¼	♥Delta Pac NL	7¾	+¼	—	—	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	12	♥Sthn. Goldfields	19	+½	—	—	—
16	5¼	♥Southern Pacific	10	−½	—	—	—
133	57	♥Southern Res.	76	+4	—	—	—
8½	5½	♥Southern Ventures 25c	6	+¼	—	—	—
42	12	♥Spargos Expl'n.	22	.....	—	—	—
23	9	♥Swan Res 20c	9	.....	—	—	—
43	25½	♥Utd Goldfields NL	26	.....	—	—	—
16½	8½	♥West Coast 25c	9¼	+¼	—	—	—
13	6	♥Western Cra 50c	10	.....	—	—	—
295	180	Westn. Mining 50c	201	+7	Q4c	—	1.4
272	128	♥Whim Creek 20c	140	+5	Q5c	♦	2.5
23	10	♥Windsor Res NL	16	.....	—	—	—
26	9	♥York Resources	10½	+½	—	—	—

Tins

1984-85 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
310	210	Ayer Hitam SM1	270	.....	vQ240c	1.0	18.0
223	138	Geevor	222	−1	12.0	2.2	7.7
275	155	Gopeng Berhad MS0.50	165	.....	$0.20	♦	3.9
£10	575	Hongkong	650ø	.....	—	—	—
23	11	Jantar 12½p	11	.....	0.5	—	6.5
76	50	Malaysia Mng. 10c	53	+2	vQ6c	2.6	3.9
56	37	♥Pahang	38	.....	B—	—	—
950	500	Pengkalen 10p	650	.....	—	—	—
350	270	Petaling SM1	275	.....	vQ60c	♦	7.4
385	250	Sungei Besi SM1	270	.....	t♦Q75c	0.9	‡
68	50	♥Supreme Corp MS1	55	.....	vvQ3½c	♦	2.2
475	240	Tanjong 15p	295	.....	g3.5	—	1.8
220	145	♥Tongkah H. Tin SM1	210ø	.....	vQ23c	1.2	0.8
410	245	Tronoh SM1	275	.....	t♦Q6bd	1.4	$

Miscellaneous

1984-85 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
75	45	♥Anglo-Dominion	55ø	.....	—	—	—
75	31	♥Anglo Utd. Dev.	35	.....	—	—	—
410	220	♥Centennial Min'ls.	300	−12	—	—	—
175	70	♥Colby Res Corp.	70	.....	—	—	—
955	550	Cons. Murch. 10c	550	.....	tQ100c	1.4	8.3
36	25	♥Emess Inv. Ir10p	29	+1	—	—	—
232	150	Hampton Areas 10p	163xd	.....	3.75	2.1	3.1
225	140	♥Highwood Res.	175	+15	—	—	—
£24½	£15	Homestake Mining $1	£19⅜	+½	Q20c	—	0.9
295	135	♥McFinley Red Lake	245	.....	—	—	—
240	101	♥Minto Explorations	210	−5	—	—	—
55	23	♥New Sabina Res C$1	30	.....	—	—	—
345	220	Northgate C$1	275	+10	—	—	—
718	500	RTZ	600	+3	t18.0	2.7	4.3
£155½	£115½	Do. 9½pcLn '95-2000	£131	+1	Q9½%	35.4	f7.3
£11¼	850	♥Tara Expln $1	£10⅛	+⅛	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♦ USM, not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B Fr. Belgian Francs. Fr. French Francs. ¢¢ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	90	.....	Arnott	145	−5
Craig & Rose £1	£11½	.....	CPI Hldgs	52½	+2½
Finlay Pkg. 5p	44	.....	Carrol Inds.	100	+1
Higsons Brew	95	−5	Dublin Gas	65	.....
Holt (Jos) 25p	860	−10	Hall (R. & H.)	44	.....
IoM Stm. £1	130	−3	Heiton Hldgs.	17	.....
IRISH			Irish Ropes	32xd	.....
Exch. 12% 1985	£99	.....	Jacob (W. & R.)	62	.....
Nat. 9¾% 84/89	£84	.....	TMG	72	.....
Fin. 13% 97/02	£89⅝	.....	Unidare	78	.....

OPTIONS — 3-month call rates

Industrials	p				
Allied-Lyons	15	Hanson Tst.	22	Vickers	18
BAT	30	Hawker Sidd	38		
BOC Grp.	24	Hse of Fraser	20	**Property**	
BSR	15	ICI	50	Brit Land	14
Babcock	13	"Imps"	14	Cap Counties	18
Barclays Bank	42	Jaguar	18	Land Secs	24
Beecham	39	Ladbroke	20	MEPC	30
Blue Circle	46	Legal & Gen	42	Peachey	24
Boots	18	Lex Service	32	Samuel Props	14
Bowaters	16	Lloyds Bank	42	Sterling Guar.	5½
Brit Aerospace	34	Lucas Inds.	24		
Brit. Telecom	7½	Marks & Sper	18	**Oils**	
Brown (J.)	3	Midland Bk	23	Brit. Oil & Min	4½
Burton Ord	32	NEI	9	Brit Petroleum	38
Cadburys	14	Nat West Bk	54	Burmah Oil	19
Comm Union	15	P & O Dfd	24	Charterhall	6
Courtaulds	11	Plessey	20	Premier	6
Debenhams	19	Polly Peck	25	Shell	55
Distillers	24	Racal Elect	24	Tricentrol	22
Dunlop	5	RHM	10	Ultramar	22
FNFC	7	Rank Org Ord	24		
Gen Accident	42	Reed Intnl	58	**Mines**	
Gen Electric	20	Sears	7	Charter Cons	21
Glaxo	90	TI	18	Cons Gold	42
Grand Met	25	Tesco	8	Lonrho	14
GUS 'A'	55	Thorn EMI	42	Rio T Zinc	60
Guardian	58	Trust Houses	12		
GKN	16	Turner Newall	9		
		Unilever	80		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £800 per annum for each security.

FINANCIAL TIMES
Saturday January 12 1985

MAN IN THE NEWS

The big tests lie ahead

BY REGINALD DALE

AMERICAN DIPLOMACY at its best." That was how President Ronald Reagan chose to salute the exploits of Mr George Shultz, his Secretary of State, in Geneva this week, with a special pat on the back for his fine "teamwork" with Mr Robert McFarlane, the National Security Adviser. It is not often that a President can compliment the holders of those two jobs for working smoothly in tandem.

But Mr Shultz, 54, despite a reputation earned in his Nixon Administration days as a skilled Washington infighter has not had an easy ride in his 2½ years at State.

After a year in the job, he was widely regarded as a disappointment. His much-trumpeted

GEORGE SHULTZ

efforts to solve the Lebanon crisis through the Israeli withdrawal agreement had humiliatingly failed: he was being criticised as slow and ineffective; his "turf" was being rapidly eroded by the then National Security Adviser, Mr William Clark, among many others.

Apparently he was having difficulty mastering new briefs, his fief was in danger of being effectively narrowed to international economics and Western Europe—the scene of his one early success, when he solved the Soviet pipeline dispute by persuading the White House to back down on sanctions. There were reports, officially denied, that he had threatened to resign.

But Mr Shultz fought back, and this week represents another milestone in his rehabilitation. It began in the autumn of 1983, when he seems to have decided to recast his image from plodding businessman to eclectic hawk.

He was gung-ho for the invasion of Grenada. He was all for the ill-fated marine intervention in Beirut. Last year, he took to expanding the toughest line in the Administration on terrorism and extolling the virtues of military force as an integral arm of diplomacy—outflanking his more restrained Pentagon colleague, Mr Caspar Weinberger.

On arms control, however, he sided with the doves—at a time when the White House, with an eye on the November elections, was moving in the same direction, and Mr Reagan was abandoning his "evil empire" rhetoric.

With Mr Reagan now ready to give superpower peace a chance and looking to his place in history, Mr Shultz is back in centre stage. He has ensured that the State Department, at least initially, will run the negotiations with Moscow, while Mr McFarlane attempts to mediate disputes.

His old bureaucratic skills have returned. He is now busy, to the dismay of the conservatives, but with Mr Reagan's blessing, rooting out right-wing political appointees from his department with the avowed intention of running his own show. He hopes to regain the initiative on Central America from the Caseys, the Kissingers and the Kirkpatricks.

His policies have evolved into a mixture of the moderate and the tough. More flexible than the hardliners on East-West relations, as a diplomat he seeks negotiated solutions—whether on arms control, Central America, or disputes with the Nato allies. But he remains one of the Administration's strongest exponents of military force to solve problems along the way—perhaps because the State Department has no troops to lose in the process.

So far, however, he has had few, if any, major foreign policy achievements to his credit. Geneva is a beginning, not an end. He has by no means won the final arms control battle with a Pentagon that would prefer an arms race to any agreement that looks likely to emerge from the new talks. Mr Reagan remains to be persuaded to make the concrete concessions that will be required. Mr Shultz's toughest tests still lie ahead.

Building societies unlikely to follow base rates rise

BY MARGARET HUGHES

LEADING building societies say they can withstand yesterday's 1 percentage point rise in bank base rates without having to alter their own rates.

Their views were summed up by Mr John Bayliss, general manager of Abbey National, who said: "There is no need for anyone to panic, the last thing we want now is to see rates go up again."

Much will depend on whether interest rates stabilise at present levels and whether competitors such as National Savings make any move in response to the rise in base rates.

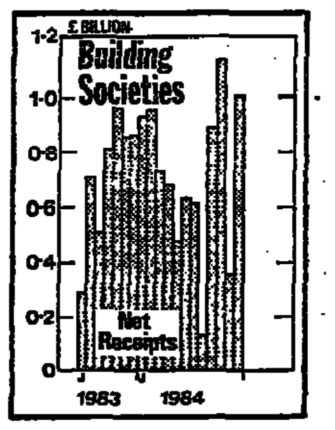
The Council of the Building Societies Association is not due to meet again until early February, but if there is a further rise in bank base rates a special meeting would be called to discuss interest rate strategy.

Some of the big societies, such as the Leeds Permanent, are concerned that yesterday's rise may be "too little too late" and that a further increase in base rates may be necessary.

Building societies are able to withstand the immediate pressure on interest rates because of a strong inflow of funds last month which has been sustained so far this year.

Mr Richard Weir, secretary general of the BSA, confirmed yesterday that societies began 1985 with a "high level" of net receipts and were "confident" of meeting all reasonable mortgage demand

Most societies are now highly



liquid. Major societies like the Woolwich, which a short while ago had long mortgage queues because it charges lower rates than some other societies, is again offering loans to non-investors, and the Leeds Permanent has just become the first big society to market its mortgages through television and Press advertising.

December was the second best month on record for building societies with net receipts of over £1bn, a sharp increase on the November inflow of £336m.

The success of the British Telecom issue, which was largely responsible for the heavy withdrawal of funds in November, boosted the December inflow. This was because the limited allocation of BT shares to each individual correspondingly brought funds back into building society accounts.

Societies also raised more funds from wholesale sources last month: £178m compared with £97m in November.

The strong December inflow helped give societies a record year with net receipts for 1984 totalling £8.52bn, a 25 per cent rise on the previous year's record of £6.8bn.

Last year was also a record for mortgage lending with gross advances totalling £23.82bn. However, the heavy demand for home loans in the summer months has slackened. In December societies lent £1.78bn compared with the peak of £2.38bn in August.

The level of new commitments—loans promised but not yet advanced—has also been lower than in the previous few months dropping to £1.66bn in December. However, societies attribute this largely to seasonal factors and put the underlying level of lending at about £2bn a month. At the end of the year societies were committed to lend £4.63bn.

The slackening in mortgage demand at a time when societies are enjoying a strong inflow of funds is reflected in the improvement in their liquidity ratio. Seasonally adjusted this ratio rose last month for the first time since February 1984 from 17.6 to 18 per cent but is still down on the year ago level of 19.1 per cent.

Credit Suisse buys into broker

BY JOHN MOORE AND JOHN WICKS

CREDIT-SUISSE, one of the three leading Swiss banks, yesterday became the latest participant in London's financial services revolution by announcing that it would take a 29.9 per cent stake in Buckmaster & Moore, the stockbroking firm. It intends to raise its holding to 85 per cent once Stock Exchange rules are relaxed.

The bank's move follows Union Bank of Switzerland's deal with Phillips & Drew, one of the larger stockbroking firms in London. Union Bank is the largest Swiss bank.

Buckmaster & Moore, a medium-sized broker, is ranked about 29th in terms of UK market share of commissions. It has more than 200 staff, 30 partners and branch offices in the Isle of Man, Peterborough and Coventry.

Buckmaster said yesterday that with the changes taking place in the City, its service for institutional clients needed to be strengthened to enable the firm to compete with larger securities houses. "The benefits of the link to Buckmaster are that it will add financial strength allowing the aggressive but selective development of the firm in the period ahead."

The rationale in forming an association with a large overseas bank, it said, was to provide reassurance to clients and staff and to minimise conflicts of interest in the UK institutional market.

No price has been disclosed for the deal. Credit-Suisse is the oldest of Switzerland's three major banks. It has a balance sheet of more than SwFr 80bn (£26bn) and 44 representative offices, branches and subsidiaries around the world. It provides investment banking and asset management services and is a member of the Swiss and major U.S. stock exchanges.

Mr Hans-Ulrich Doerig, a member of the executive board of Credit-Suisse, said: "We are delighted about this new alliance, which adds another dimension within Crédit-Suisse's worldwide structure."

Mr Doerig said talks had been held with various firms in London over the past 15 months with a view to a takeover. Many of the firms had approached Credit-Suisse.

The number of independent London brokers is steadily shrinking as Stock Exchange outsiders seek to form links and brokers and jobbers seek more capital. In the last few weeks Banque Bruxelles Lambert, Belgium's second largest bank, announced its intention to acquire a 29.9 per cent stake in Williams de Broe Hill Chaplin, the broker.

Standard Chartered buys $462m loans

BY DAVID LASCELLES, BANKING CORRESPONDENT

STANDARD CHARTERED, the large UK-based international bank, has bought $462m (£411m) of international loans from its Californian subsidiary to improve its image on the U.S. market.

Standard stressed yesterday that the unusual transaction was not a sign that the Los Angeles-based Union Bank was in trouble: it has just reported record profits for 1984. Mr Michael McWilliam, the group managing director, said U.S. banks with low international loan exposures had a noticeable advantage when it came to raising funds, and Standard wanted to help its offshoot.

The loans Standard has bought represent 61 per cent of Union Bank's international loan portfolio. About 70 per cent of the loans were to Latin America, with the rest to Europe and the Middle East. Union Bank kept most of its Asian and Pacific rim loans because of the importance of that market to U.S. west coast banks.

Standard paid 98 cents on the dollar, the discount representing the cost of the provisions which had been raised against the loans in case of possible losses. Mr McWilliam said the transfer would not affect Standard because the loans had always appeared on the group's consolidated accounts. But it would free Union to concentrate on the U.S. market, where it is the nation's 28th largest bank.

Union Bank, which Standard Chartered bought in 1979, yesterday reported 1984 profits of $44.4m after tax, an increase of 15 per cent on the $38.6m it earned in 1983. The bank has also sharply increased its primary capital ratio, the key U.S. measure of bank strength, from 5.60 per cent to 6.65 per cent.

Contrary to the disastrous experience of Midland Bank with Crocker National, its California subsidiary, Union has managed to keep its bad loans down. Non-performing assets fell slightly last year to 3.3 per cent of the total.

Base rates Continued from Page 1

could be forced into a two-stage increase in base rates as happened last July.

A senior official at one of the major clearing banks described the money markets as "extremely nervous," although he said they could well stabilise if the present level of base rates could be held for a week.

Mr David Morrison, a senior economist at broker Simon & Coates, said the Government could be forced into a significant tightening of its monetary policy to restore confidence in the pound.

The current pressure could be eased by any further reduction in U.S. interest rates or if oil prices continued to stabilise in response to the cold weather.

Max Wilkinson adds: Finance ministers and central bank governors of the five major industrial powers are to meet in Washington next week to discuss the development of their economies.

The meeting, from January 16-17 is one of a regular series for the surveillance of economic policies under the general auspices of the International Monetary Fund.

The ministers of the so-called Group of Five, are also expected to discuss the continued strength of the dollar and U.S. plans for curbing its budget deficit.

Royal Bank Continued from Page 1

it proposes to finance the acquisition. Last September it realised £91.6m by selling its stake in Lloyds & Scottish to Lloyds Bank. But an issue of new shares or convertible loan stock is also possible.

Charterhouse Japhet, a member of the Accepting Houses Committee, is a medium-sized merchant bank best known for its services to small business and investment management, though more recently it has been involved in development capital and other fields.

In 1983, the last year for which full figures are available, it disclosed a profit of £8m after tax. In the first half of 1984, it reported £4.1m before tax.

Its net asset value at the end of 1983 was £70.5m. But its full value today would include hidden reserves, 1984 retained profits and new assets, such as its substantial stake in Woolworth Holdings. True figures may be disclosed in the acquisition documents, which will have to be approved by shareholders.

Notts miners to defy NUM over rule change

By Philip Bassett, Labour Correspondent

NOTTINGHAMSHIRE miners' leaders decided yesterday to defy the threat of expulsion delivered to them on Thursday by the National Union of Mineworkers' executive. They said they were not prepared to drop recent rule changes designed to give their area greater autonomy.

The decision was taken as British Rail warned its unions that jobs, investment and this year's pay settlement would be put at risk unless the railmen abandoned proposed industrial action next week in support of striking miners.

The area council of the Notts NUM is expected today to ratify the decision by its executive to re-affirm rule changes passed by by the council before Christmas. These led to charges at the NUM's national executive meeting earlier this week that Notts was trying to form a breakaway union.

Though no statement was issued by Notts NUM, it is understood that the executive voted to re-affirm the rule changes by 13 votes to one. Today's area council is seen principally as the means of passing on the decision to branches.

The area's leaders also decided yesterday not to invite any of the NUM's national leaders to a meeting. This was seen as a deliberate rebuff to Mr Arthur Scargill, the NUM president.

Unless a last-minute compromise is found or legal action is taken, the decisions seem to make inevitable the expulsion of the area from the NUM at a special delegate conference on January 29.

Expulsion would provoke the biggest split in the union for almost 60 years. It could prompt other areas, such as Lancashire, Staffordshire, Leicestershire and South Derbyshire, to follow Nottinghamshire's lead.

The four-hour emergency meeting of the Notts executive was described by one participant as "stormy," but most of the anger seems to have been directed at two of its officials—Mr Ray Chadburn, the president, and Mr Henry Richardson, the secretary.

Both have opposed the rule changes and they abstained from voting when the national executive discussed expulsion on Thursday. Mr Chadburn yesterday called for an area ballot on the issue—an idea supported by some Notts branches, who will move it at today's council meeting.

Mr Richardson said he intended to fight any breakaway union, but he expected to be clearing his desk at the present area headquarters in Mansfield by the end of the month. Others in the area said that if Mr Chadburn and Mr Richardson did not go, they would be locked out.

Peter Riddell, Political Editor, writes: Mr Peter Walker, the Energy Secretary, last night gleefully counter-attacked Mr Scargill after a week in which there has been a further return to work in the pits

Speaking in his Worcester constituency, Mr Walker said, "Having failed to close the working collieries, having failed to close Britain's steelworks and having failed to close Britain's docks and transport system, it appears that Mr Scargill is now engaged in trying to break up his union. I hope he will not be allowed to break up a union which has a fine tradition."

Railmen warned, Page 4

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			FALLS		
Bailey (C. H.) B	148	+ 38	Exch 11pc 1989	£98¼	— 1⅛
Barham	370	+ 30	Treas 13¼pc 2004-08	£125⅞	— 1
Bestwood	234	+ 21	Treas 2½pcIL 2009	£98	— ¾
Britannia Arrow	100	+ 9	Beecham	375	— 8
Daily Mail A	965	+ 90	Black (Peter)	210	— 18
Falcon Resources	290	+ 37	Boots	191	— 7
Hambros	175	+ 10	Brit Home Stores	261	— 12
Hestair	65	+ 8	Cadbury Schweppes	165	— 5
Hogg Robinson	245	+ 12	Harris Queensway	224	— 10
ICI	758	+ 8	Invent Energy	510	— 60
Kleinwort Benson	443	+ 18	Magnet & Southerns	110	— 4
LCP	110	+ 9	Meyer Intnl	124	— 6
MIM Hldgs	178	+ 9	Oliver Prospecting	65	— 20
Pentland Inds	363	+ 28	Valin Pollen	343	— 13
Samuelson	615	+ 65			
Winkelhaak	£25¼	+ 3¼			

WORLDWIDE WEATHER

UK today: Cold. Freezing fog patches early and late. Sleet or snow showers near E. coast.

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	7	45	Corfu	R	5	41	Luxmbg.	C	−7	19	Peking	S	0	32
Algiers	F	11	52	Dallas		—	—	Madeira	C	15	59	Perth	S	30	86
Amsdm.	C	−4	25	Dublin	C	4	39	Madrid	F	5	41	Prague	F	−9	16
Athens	F	11	52	Dbrvnk.	S	−1	30	Majorca	F	10	50	Rykjvk.	R	7	45
Bahrain		—	—	Ednbgh.	S	1	34	Malaga	S	12	54	Rhodes	S	14	57
Barclna.	F	3	37	Faro	S	11	52	Malta	S	11	52	Rio J'o†		—	—
Beirut	R	18	64	Florence	S	−7	19	M'chstr	C	3	37	Rome	F	1	34
Belfast	Fg	−1	30	Frankft.	F	−7	19	Melbne.	S	19	66	Salzbrg	Sn	−7	19
Belgrd.	S	−10	14	Geneva	C	−6	21	Mx. C.†		—	—	S'cisco†	F	4	39
Berlin	Sn	−7	19	Gibrltr.	R	9	48	Miami†	S	13	55	Singapr.	C	30	86
Biarritz	Fg	−4	25	Gl'sg'w	S	1	34	Milan	Fg	−7	19	S'tiago†		—	—
Bmghm.	C	3	37	G'rnsey	C	4	39	Montrl.†	F	−19	−2	Stckhm.	F	−7	19
Blackpl.	C	2	36	H'sinki	Sn	−19	−2	Moscow	Sn	−14	7	Strasbg	Sn	−7	19
Bombay	S	26	79	H. Kong	C	12	54	Munich	F	−9	16	Sydney	F	21	70
Bordx.	S	−2	28	Innsbrk.	F	−6	21	Nairobi	F	25	77	Tangier	F	12	54
Boulgn.	C	−3	27	Invrnss.	S	4	39	Naples	S	2	35	Tel Aviv	F	19	66
Bristol	S	4	39	I.o.Man	C	3	37	Nassau		—	—	Tenerife		—	—
Brussels	C	−4	25	Istanbul	C	0	32	Nwcstl.	S	3	37	Tokyo	C	10	50
Budpst.	S	−7	19	Jersey	S	4	39	N Delhi	S	19	66	T'r'nto†	C	−11	12
Cairo	S	18	64	Jo'burg		—	—	N York†	Sn	−6	21	Tunis	C	10	50
Cardiff	C	2	36	L. Plms.	F	18	64	Nice	C	3	37	Valencia	S	10	50
Cape T.	S	31	88	Lisbon	S	7	45	Nicosia	F	17	63	Venice	S	−2	28
Chicg.†	Sn	−7	19	Locarno	S	−1	30	Oporto	S	9	48	Vienna	S	−7	19
Cologne	S	−4	25	London	C	2	36	Oslo		—	—	Warsaw	Sn	−6	21
Cpnhgn.	Fg	−4	25	L. Ang.†	F	8	46	Paris	Sn	−2	28	Zurich	Sn	−11	12

C—Cloudy. D—Drizzle. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

THE LEX COLUMN

Full point, but half measure

"Too little too late" was the consensus in the foreign exchange and money markets yesterday as the clearers raised their base rates to 10½ per cent. The market took not a blind bit of notice: sterling promptly fell half a cent and the three-month interbank rate moved out of reach of the base rate again to 11 per cent.

Time was when a 1 point rise in the base rate would not be dismissed as half-hearted. Yesterday, as far as the pound is concerned, it seemed as useful as offering an aspirin to a man with a broken leg.

Not that the clearers are in the business of propping up the pound; they were reacting to money market rates. The ½ point fall in £M3 announced on Tuesday looked as if it might move interbank rates more in line with base rates. But the fall in sterling scuppered that, and by yesterday morning, the differential was a full 100 basis points, leaving the banks with very little choice.

Despite £M3's performance, there is still a feeling that money supply is not entirely under control. With £M3 at the top of its target range, strong retail sales, high bank lending and an increased PSBR target, the markets are convinced that the authorities will have to do a lot more funding to meet their monetary goals.

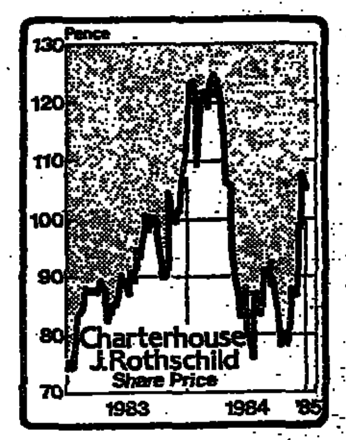
The Bank of England, which rapidly endorsed the clearers' higher rates yesterday, too. It must be aware of the contrast with the U.S., where a loose fiscal policy and relatively tight monetary one has helped the dollar to steam ahead.

The gilt market had been expecting some funding from the Bank yesterday, but falls of up to a point in some stocks put paid to that. If the authorities want to put a damper on January's money figures, they will have to tap the market by Wednesday. An added worry is that there may be an element of round-tripping — companies making a quick turn by borrowing at the base rate and reinvesting the proceeds in the market at a higher rate—inflating the figures.

Equities, by contrast, have had a merry week, marred only by yesterday's base rate rise. Between Friday of last week and the following Wednesday, the FT 30-Share index gained 50 points. Jobbers who had been wrong-footed by the recent rally were keen to talk the market down yesterday, but as soon as shares looked cheap, institutions were quick to pick up the bargains.

Another base rate rise might be a little harder for them to swallow. But for the gilt-edged, money and foreign exchange markets, it should at least allay the uncertainty they have been suffering. The banks will have a close eye on interbank rates next week; if they refuse to settle, they could drag base rates up again.

Index fell 14.1 to 968.3



CJR/Royal Bank

If Mr Jacob Rothschild applies his financial techniques to his new position as chairman of the National Gallery trustees, Trafalgar Square will be housing a completely new set of pictures within 18 months. This is roughly how long it has taken Mr Rothschild to embrace a vision of the future for financial markets and then discard it in favour of another. Yesterday, just as Credit Suisse entered the financial services revolution through the acquisition of an interest in stockbrokers Buckmaster and Moore, Mr Rothschild paid his respects and left.

The disposal of Charterhouse Japhet finally buries Mr Rothschild's earlier ambition to control a diversified financial services group with extensive retail interests. The model now is Lazard Freres, not Merrill Lynch. The dazzling rapidity of this pirouette will hardly enhance the reputation of Mr Rothschild and his colleagues for imaginative and consistent strategy. More important, though, it runs the risk of alienating CJR's own shareholders.

Mr Rothschild has, after all, remained true to one principle throughout and that is the need for capital. In pursuit of it, he has issued a torrent of paper—the investments in both Hambro Life and Charterhouse Japhet can be viewed in retrospect as deferred rights issues. Shareholders who took paper in what they thought was a burgeoning financial services company now find themselves the proprietors of something quite different. And the CJR share price was suspended yesterday not a million miles from its level at the time of the Charterhouse deal.

Mr Rothschild is admittedly not alone in turning against the supermarket idea, as the share price performance of the merging financial groups has illustrated. For some reason, industrial conglomerates are the height of fashion and their financial counterparts distinctly passé. So at least CJR can claim to have been first in and first out. But Fifo management methods should have their limits.

Ladbroke/Comfort

Comfort Hotels duly fell into the lap of Ladbroke yesterday in a flurry of acceptances which, at 89 per cent, was enthusiastic even for a bid to which the Comfort board had set its seal. The price of a little under £77m is scarcely cheese-paring, especially as only three of Comfort's nine London hotels are freehold. But the offer did at least convince rivals at Intasun of the unequivocal virtue of a quick profit, and only those who hold that the dollar will collapse this year are at all anxious about the outlook for bookings and rates at London hotels. With £7m to be spent on refurbishment and Ladbroke's known skills in marketing, the acquistion can surely contribute around £6m to operating profits this year which should mean dilution of under a penny in earnings per share. Meanwhile, Ladbroke has gained a second place in the UK hotel market, albeit far behind THF but contributing to group profits more than casinos used to in those far-off days.

Last November's purchase of La Tierce, the Belgian bookmaker, may actually enhance earnings per share in 1985 as well as providing experience in pari-mutuel bookmaking for the Detroit race-track, once this acquisition is completed. In the year just ended, Ladbroke has probably made £48m pre-tax but this should rise to over £65m this year, even with a conservative treatment of recent U.S. property deals.